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H322
1937

TWENTY-SECOND ANNUAL REPORT

OF THE

Hawaiian Sumatra Plantations, Limited

FOR THE

TWELVE MONTHS ENDED DEC. 31, 1937

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KWALA GOENOENG ESTATE
Batoe Bahra, Sumatra, O. K.

PANTAI BOEAJA ESTATE
Langkat, Sumatra, O. K.

OFFICERS

G. P. WILCOX.....President
C. F. DAMON.....1st Vice-President
A. H. RICE.....2nd Vice-President
J. L. FLEMING.....Secretary
W. A. WHITE.....Treasurer

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JOHN WATERHOUSE
R. E. WOOLLEY
W. D. BALDWIN

AGENTS

BISHOP TRUST CO., LTD.
HONOLULU, HAWAII

McAULIFFE, TURQUAND, YOUNGS & CO.,
Medan, E. C. Sumatra

AUDITORS

HENRY DAVIS AUDIT COMPANY, Honolulu, Hawaii
McAULIFFE, TURQUAND, YOUNGS & CO.,
Medan, E. C. Sumatra

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ADVERTISER PUBLISHING CO., LTD.
HONOLULU, HAWAII, U. S. A.
1938

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H322
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Hawaiian Sumatra Plantations, Limited

To the Stockholders of
Hawaiian Sumatra Plantations, Ltd.

GENTLEMEN:

Submitted hereunder is the usual Consolidated Statement of areas, trees planted, production, receipts for rubber sold and in stock, and revenue expenditure on both estates during the year 1937, also a Comparative Statement for 1936 and 1937.

CONSOLIDATED STATEMENT

		Kwala Goenoeng Acres		Pantai Boeaja Acres
Mature Area	1913 to 1928	1,938.56	1917 to 1929	1,227.17
Immature Area	1928 to 1935	499.00	1930 and 1931	56.83
Replantings—Immature		148.00	Washed out	(3)
In course of Replanting		20.44		
Total Planted		2,606		1,284
Total Area in Rubber				3,890 Acres

Approximate Number of Trees
December 31, 1937

Kwala Goenoeng:			
Mature Area	209,491		
Immature Area	107,783	317,274	
Pantai Boeaja:			
Mature Area	141,331		
Immature Area	10,835	152,166	469,440 approx.

Trees in Tapping
December 31, 1937

Kwala Goenoeng	174,157	
Pantai Boeaja	124,537	298,694 approx.
Number of Trees not in Tapping		170,746 approx.

PRODUCTION OF RUBBER

1937	Kwala Goenoeng lb	Pantai Boeaja lb	Total lb
January	67,766	44,690	112,456
February	55,270	36,313	91,583
March	62,100	35,045	97,145
April	61,851	36,377	98,228
May	64,870	44,507	109,377
June	67,392	44,584	111,976
July	73,882	47,086	120,968
August	71,292	46,510	117,802
September	80,823	45,340	126,163
October	96,118	46,352	142,470
November	84,775	47,077	131,852
December	90,990	40,521	131,511
Total	877,129	514,402	1,391,531

Comparative Statistics of Rubber Sales and Revenue Expenditure For the Years 1936 and 1937

Rubber Sales and Rubber in Stock 1936

Kwala Goenoeng:

Sale of 1936 Crop and 1935 Rubber in Stock	644,390 lb	@	15.3956¢	$ 99,207.98
1936 Stock on hand	88,270 lb	@	6.21¢	5,481.57
Total Revenue and Inventory Value...	732,660 lb	@	14.2889¢	$104,689.55

Pantai Boeaja:

Sale of 1936 Crop and 1935 Rubber in Stock	335,823 lb	@	14.8386¢	$ 49,832.75
1936 Stock on hand	43,140 lb	@	7.71¢	3,326.09
Total Revenue and Inventory Value...	378,963 lb	@	14.0274¢	$ 53,158.84

Rubber Sales and Rubber in Stock 1937

Kwala Goenoeng:			
Sale of 1937 Crop and 1936 Rubber in Stock	879,085 lb	@ 20.85¢	$183,290.68
1937 Stock on hand	86,314 lb	@ 5.57¢	4,807.69
Total Revenue and Inventory Value...	965,399 lb	@ 19.484¢	$188,098.37
Pantai Boeaja:			
Sale of 1937 Crop and 1936 Rubber in Stock	473,000 lb	@ 22.464¢	$106,256.13
1937 Stock on hand	84,542 lb	@ 6.67¢	5,638.95
Total Revenue and Inventory Value...	557,542 lb	@ 20.069¢	$111,895.08

Revenue Expenditure 1936

	Kwala Goenoeng 620,965 lb	Cents per lb	Pantai Boeaja 305,773 lb	Cents per lb	Total 926,738 lb	Cents per lb
Revenue Expenditure	$53,177.11	8.5636	$36,481.84	11.9310	$89,658.95	9.6746
Depreciation	4,425.79	0.7127	806.02	0.2636	5,231.81	0.5645
Amortization	13,301.34	2.1420	11,926.76	3.9005	25,228.10	2.7222
Taxes					3,804.00	0.4104
	$70,904.24	11.4183	$49,214.62	16.0951	$123,922.86	13.3717

Revenue Expenditure 1937

	Kwala Goenoeng 877,129 lb	Cents per lb	Pantai Boeaja 514,402 lb	Cents per lb	Total 1,391,531 lb	Cents per lb
Revenue Expenditure	$59,880.41	6.8268	$45,961.02	8.9348	$105,841.43	7.6061
Depreciation	4,427.64	0.5048	860.51	0.1672	5,288.15	0.3800
Amortization	11,070.16	1.2621	12,027.57	2.3382	23,097.73	1.6601
Taxes					33,400.00	2.4000
	$75,378.21	8.5937	$58,849.10	11.4402	$167,627.31	12.0462

Respectfully submitted,

W. A. WHITE, *Treasurer.*

Honolulu, Hawaii,
March 30, 1938.

Hawaiian Sumatra Plantations, Limited

KWALA GOENOENG ESTATE

STAFF

Manager.....G. L. Christensen

Assistant .....J. Regter

Office Clerks.....1st, Abdul Firman; 2nd, Djammal

ACREAGE STATEMENT

Year of Planting	No. of Acres	Approx. No. of Trees	No. of Budgrafted Trees
1915/16	63.64	5,087	
1917	927	84,107	
1918	272.70	34,714	
1919	43.50	6,060	
1925	237.59	20,495	80
1926	301.22	33,835	
1927	43.24	4,949	
1928	49.91	20,244	612
1929	.....	5,094	Interplanting
1930	210.78	28,368	28,368
1931	211.15	33,471	33,471
1932	78.03	16,034	Seeds of AVROS clones mixed
1934	26.02	3,520	Seeds of AVROS clones
1936	31.33	4,640	307 Mixed clones
1937	90.62	16,656	Seeds of AVROS clones
In course of replanting	20.82		
Total Area Planted.....	2,607.55	317,274	62,838
Reserve Land	3,012.45		
Total Area of Estate	5,620	317,274	62,838

The following is a record of budgrafted trees to date:

Planting 1925—80 trees, AVROS clone 36.

Planting 1928—612 trees, AVROS clones 80, 152 and 163.

Planting 1930—11,586 trees, AVROS clones 49, 50, 71, 152, 183, 185, 214 and 256 as monoclones.

Planting 1930/31—17,649 trees, Java Clones Bodjong Datar 5, Tjirandji 1 and 16 as monoclones interplanted with AVROS clones 185 and 214.

Planting 1931—32,604 trees, AVROS clones 49, 50, 71, 214, 222, 256 and 352. Straits clones Prang Besar 186, Sebrang 24, Glenshiel 1 and Java clones, Tjirandji 1 mixed in diagonal rows.

Planting 1936—307 trees, Prang Besar 186 and Sebrang 24.

Total—62,838 trees.

Specification of Planted Area

1,938.80	Acres	in Bearing.
29.33	"	Immature Rubber with selected Kwala Goenoeng seeds.
421.93	"	Immature Rubber with budgrafted trees.
78.03	"	Immature Rubber with seeds from AVROS clones mixed.
26.02	"	Immature Rubber with seeds from AVROS clones No. 274, 278, 282, 294 and 33.
2	"	Immature Rubber with budgrafted trees.
90.62	"	Immature Rubber with seeds from AVROS clones 185, 163, 284, 282, 49, 274 and Java clones Bodjong Datar 5 and Tjirandji 1.
20.82	"	Immature Rubber in course of replanting.
2,607.55	Acres.	

Rubber Trees Statement

Approximate number of trees, December 31, 1937		317,274
Number of trees in tapping, December 31, 1937	174,157	
Number of trees resting (poor yielders)	21,121	195,278
Approximate number of trees not yet in tapping		121,996

Trees Thinned Out

A total of 7,687 trees have been thinned out during the year, viz:

3,058 trees of planting, 1913.
1,465 trees of planting, 1915.
3,006 trees of planting, 1917.
121 trees of planting, 1918.
37 trees of planting, 1932.

Selected Tapping

A total of 21,121 trees (poor yielders) have been out of tapping the whole year, viz:

Soengei Djintan Division	13,246 trees
Poeloe Besar Division	6,486 trees
Kwala Goenoeng Division	1,229 trees
Tandjong Boenga Division	160 trees
Total	21,121 trees

WEATHER

The weather conditions for collecting the crop were favorable during the year, but conditions for planting have been unfavorable owing to unseasonable dry weather, and rain is now needed for the young recently planted trees.

RAINFALL

Month	Days	Inches
January	7	3.90
February	1	0.55
March	5	1.93
April	16	13.54
May	12	9.01
June	7	6.22
July	8	6.42
August	6	4.53
September	12	10.63
October	14	8.86
November	9	5.19
December	10	7.60
Total	107	78.38

TAPPING AND CROP OF RUBBER

The crop harvested during the year was 877,129 lbs., against the estimated 780,000 lbs.

The crop for October, 1937, of 96,118 lbs., was the biggest crop ever harvested on Kwala Goenoeng Estate in one month.

The Stock of Rubber at the end of the year was 86,314 lbs., which has been carried over to 1938.

The tapping system was A B C on the whole Estate for the period January-April.

From the 1st of March, 17th of July and 1st of September, respectively, Kwala Goenoeng Division, Soengei Djintan Division and Tandjong Boenga, Poeloe Besar, Blimbing Divisions were changed from A B C to A B tapping, so that the tapping system on the whole Estate from September has been the A B system, with a V cut on the old area and a single lefthand cut on the young area.

The 1928 planting on Kwala Goenoeng Division, 49.91 acres, was brought into tapping on the 1st of September.

The average yield per tapper for the year was 5,187.02 lbs., against 4,889.49 lbs. for the previous year, and per tapper per day as follows:

	Pounds Per Tapper Per Day
January	17.15
February	15.34
March	14.37
April	14.36
May	14.62
June	15.10
July	15.94
August	14.80
September	16.58
October	16.32
November	15.27
December	16.54

The average yield per acre per annum was 429.33 lbs., and per tree 5.12 lbs., against 299.40 lbs. per acre and 3.32 lbs. per tree for the previous year.

STATEMENT OF THE YIELD ON THE DIFFERENT DIVISIONS

Month	Blimbing Acres in Bearing	Blimbing lb	K. Goenoeng Acres in Bearing	K. Goenoeng lb	T. Boenga Acres in Bearing	T. Boenga lb	S. Djintan Acres in Bearing	S. Djintan lb	P. Besar Acres in Bearing	P. Besar lb
January	300	9,157	409	14,621	284	9,066	620	17,501	506	17,421
February	300	6,907	379	10,449	284	8,231	620	15,755	506	13,928
March	300	7,296	321	12,911	284	7,822	620	17,882	506	16,189
April	300	10,350	321	11,307	284	7,588	620	17,602	506	15,004
May	300	9,546	321	10,546	284	7,965	620	21,536	506	15,277
June	300	7,593	321	13,502	284	11,268	620	20,244	506	14,785
July	300	11,102	321	13,404	284	9,892	620	22,511	506	16,973
August	300	10,058	321	11,655	284	11,031	620	21,642	506	16,906
September	300	8,481	321	15,223	284	12,004	620	23,105	506	22,010
October	300	14,914	321	14,766	284	17,425	620	21,655	506	27,358
November	300	11,254	321	10,609	284	15,125	620	21,276	506	26,511
December	300	16,382	321	13,549	284	13,212	620	23,101	506	24,746
Total	300	123,040	333	152,542	284	130,629	620	243,810	506	227,108
Average per Acre		410		458		460		393		449

ANNUAL YIELD PER ACRE

Year	Yield per Acre per Annum in lb	
1921	179.98	
1922	195.36	
1923	214.47	
1924	366.66	
1925	479.93	
1926	560.45	
1927	562.80	
1928	580.85	
1929	595.40	
1930	538.19	
1931	589.13	
1932	670.99	
1933	607.99	
1934	456.51	new areas in tapping and from 1st of June Restriction.
1935	299.39	63.4463% of the Standard Production Assessment.
1936	299.40	59.467% of the Standard Production Assessment.
1937	429.33	77.8726% of the Standard Production Assessment.

TABLE OF CROP

Month	Crop lb	Total No. of Trees in Tapping and Resting	No. of Acres in Tapping
January	67,766	172,728	1,382
February	55,270	171,883	1,428
March	62,100	169,540	1,462
April	61,851	169,506	1,348
May	64,870	171,043	1,390
June	67,392	171,011	1,556
July	73,882	168.977	1,470
August	71,292	168,949	1,584
September	80,823	168,489	1,732
October	96,118	174,171	2,031
November	84,775	174,166	2,031
December	90,990	174,157	2,031
Total	877,129	Average 171,218	Average 1,620

The crop harvested during the year was sold, as Sheet and Off Grades, on forward contracts and to local buyers at Medan, delivered at Tandjong Tiram Port.

The average price for the year, all grades, was 37.93 guilder cents per lb. f.o.b. Belawan, compared with 24.59 guilder cents per lb. for the previous year.

The average price for contract rubber, Sheet 1, was 44.42 guilder cents per lb. f.o.b. Belawan.

The average price for local Sales, Sheet and Off Grades, was 33.41 guilder cents per lb. f.o.b. Belawan.

The cost price per lb. on the Estate was 10.08 guilder cents f.o.b. Belawan, compared with 11.30 guilder cents for the previous year.

TABLE OF SALES

Month	Crop lb	Sold lb	Guilders	Dollars á fl. 1.50
January	67,766	26,150	10,170.03	6,780.02
February	55,270	104,425	38,185.93	25,457.29
March	62,100	70,350	28,448.24	18,965.49
April	61,851	78,300	34,377.82	22,918.55
May	64,870	60,880	26,526.93	17,684.62
June	67,392	69,398	26,857.73	17,905.15
July	73,882	70,800	27,956.36	18,637.57
August	71,292	26,830	8,331.92	5,554.61
September	80,823	117,322	47,894.62	31,929.75
October	96,118	63,155	22,297.02	14,864.68
November	84,775	59,455	14,130.71	9,420.47
December	90,990	132,020	48,239.75	32,159.83
Total	877,129	879,085	333,417.06	222,278.03

STATEMENT OF COST PER ACRE FOR THE YEAR
(Excluding Capital Expenditure)

The cost per acre for the year was as follows:

		Per Acre
Upkeep Immature Area—622 Acres	Gls.	6.12
Upkeep Mature Area—2,031 Acres	"	2.48
Tapping (Basis area tapped)	"	22.35
Manufacture and Distribution (Basis area tapped)	"	39.86
General Charges on total area	"	14.57
Total Expenditure	"	40.11

RUBBER RESTRICTION

The Standard Production Assessment for the year 1937 was 1,129,039 lbs.; the exportable allowance for the year was 879,212 lbs. being 77.8726% of the Standard Production Assessment.

The 1938 Standard Production Assessment has been provisionally fixed at 1,160,731 lbs., and on the basis of 16% provisional release for the period January-March 1938, the exportable allowance for the first quarter of 1938 amounts to 185,718 lbs.

The crop for 1938 has been estimated at 900,000 lbs., being 78% of our Standard Production Assessment.

REPLANTING 1937

111.44 acres on Kwala Goenoeng Division, from the planting 1913-15-16, have been felled, cleared and lined.

The whole area has been plowed three times. 90.62 acres have been planted with seedlings in baskets at 15 feet on the square, 3,190 of the seeds used were AVROS 49, 163, 185, 274, 282 and 284, and 13,466 seeds were Blimbing seeds, hand gathered, of Bodjong Datar 5, Tjirandji 1, AVROS 49 and 185; each clone planted in diagonal rows.

48 acres were planted during November and 42.62 acres during December, 1937. The remaining 20.82 acres will be planted as soon as planting materials are available and weather condition favorable for planting.

The replanted area 1937 will be terraced where necessary. 48 acres of the replanted area 1937 have been planted with Pueraria Javanica Ground cover; the remaining 63.44 acres will be planted with the same Ground cover.

The cost of replanting 1937 has been as follows:

Nurseries, baskets, etc.	111.44 acres	Gls. 444.43
Felling, Collecting and Burning, Pulling Stumps	111.44 "	" 2,143.81
Lining, Holing and Planting	90.62 "	" 606.52
Plowing 3 Times	111.44 "	" 1,235.55
Upkeep Tractor	111.44 "	" 193.31
	107.28 acres	Gls. 4,623.62
Seeds from AVROS		" 253.91
Total	107.28 acres	Gls. 4,877.53

Average cost per acre Gls. 43.10. Average cost per acre including seeds from AVROS Gls. 45.47.

MANURING

The Mature Rubber on Blimbing Division, 300 acres planting 1926, and the Mature Rubber on Tandjong Boenga Division 284

acres planting 1925-26, have been manured with Cheribon Phosphate at the rate of 150 lbs. per acre.

The replanted area 1936, 32 acres, has been manured with Superstikfos 13/48 at the rate of 35 grams per tree.

90.62 acres of the replanting 1937 have been manured, before planting, with Patent Phosphate at the rate of 1 Kg per planthole, and after planting with Ammophos and Muriate of Potash mixed, at the rate of 25 grams Ammophos and 12.5 grams Muriate of Potash per tree.

PESTS AND DISEASES

Pests and diseases were the same as the previous year; in the young areas some damage was done by deer and pigs.

All trees in tapping have been treated with a 3% Izal solution on the tapping surface, to prevent Mouldy rot and Black Stripe canker.

IMMATURE AREAS

The Immature Rubber on Blimbing Division, Planting 1930, 1931 and 1932, 500 acres, is looking very well, and the growth of the trees is good, except some parts of the planting 1930, approximately 100 acres, which appear to be "hanging" in growth.

The growth of the replanted trees is very good and the planting 1934 and 1936 are covered with Pueraria Javanica Ground cover.

COST OF WEEDING

Month	IMMATURE				MATURE			
	Acres	Cost	Cost per Acre		Acres	Cost	Cost per Acre	
		Gls.	Gls.	Dls.		Gls.	Gls.	Dls.
January	531	178.63	0.34	0.23	2119	134.74	0.06	0.04
February	531	161.32	0.30	0.20	2089	200.16	0.10	0.07
March	531	198.86	0.37	0.25	2031	217.31	0.11	0.07
April	531	170.22	0.32	0.21	2031	108.32	0.05	0.03
May	531	196.91	0.37	0.25	2031	176.73	0.09	0.06
June	531	176.13	0.33	0.22	2031	249.15	0.12	0.08
July	531	176.36	0.33	0.22	2031	145.98	0.07	0.05
August	531	222.55	0.42	0.28	2031	216.29	0.11	0.07
September	531	182.68	0.34	0.23	2031	203.34	0.10	0.07
October	531	167.42	0.32	0.21	2031	172.65	0.09	0.06
November	531	177.46	0.33	0.22	2031	160.26	0.08	0.05
December	622	149.74	0.28	0.19	2031	227.93	0.11	0.07

FACTORY AND BUILDINGS

All buildings have been kept in good condition.

The factory and machinery are in good order.

One new coolie line has been built on Poeloe Besar Division.

Two new aluminum-lined coagulation tanks, of 75 Sheets each, have been installed and are working satisfactorily; this is a big improvement, as coagulating in tanks is much quicker and the Sheets more uniform than coagulating in pans.

ROADS AND BRIDGES

All roads and bridges on the Estate are in good condition.

SURVEYING

The Estate has been re-surveyed during December by the surveyor Mr. Eckardt. The new map is quite different from the old one, the total area planted appeared on the old map as 2,662 acres, and on the new shows 2,607.55 acres.

LABOR FORCE

Month	Men	Women	Total
January	166	48	214
February	172	50	222
March	180	50	230
April	181	50	231
May	183	55	238
June	182	58	240
July	182	61	243
August	194	62	256
September	202	64	266
October	235	67	302
November	247	65	312
December	241	64	305
The total labor force on the Estate, Dec. 31, 1936	162	42	204
The total labor force on the Estate, Dec. 31, 1937	241	64	305
Written off during 1937	9	.....	9

The labor on the Estate remained as free labor.

During the year 159 new coolies were engaged, 99 locally and 60 from Java.

The health of the staff and the coolies has been good during the year.

GENERAL

The Estate was visited twice during the year by our Visiting Agent Mr. W. S. Cookson, on the 20th and 21st of April and on the 21st and 22nd of November, and several times by our Medan Agents.

The Restriction Controller visited the Estate on the 20th-24th of August, the Labor Inspector on the 29th of October and the Estate's medical officer on the 22nd of December.

The Estate is in excellent order in all respects.

Respectfully submitted,

HAWAIIAN SUMATRA PLANTATIONS, LTD.,
KWALA GOENOENG ESTATE,

G. Christensen, Manager.

Pantai Boeaja Estate

MANAGER'S ANNUAL REPORT FOR THE YEAR 1937

STAFF

Manager.....A. C. van Rossum

Office Clerk.....Abdul Rany

TREES AND ACREAGE STATEMENT

Approx. No. Acres of Rubber	Date of Planting	No. of Acres		Approx. No. Trees
Mature—				
1,227	1917	87.69		9,342
	1918	134.74		12,930
	1919	200.15		16,799
	1920	257.00		26,497
	1921	256.00		25,899
	1923	24.71		4,404
	1924	39.54		7,088
	1925	84.02		14,969
	1926	64.25		11,414
	1929	79.07	(mixed with budgrafted trees and selected seeds)	11,989
		1,227.17	Total Mature	141,331
Immature—				
57	1930	51.89	(budgrafted with AVROS Cl.)	10,036
	1931	4.94	(budgrafted with AVROS Cl.)	799
1,284		1,284.00		152,166

Total Planted	1,284
Roads	9
Buildings	10
Burial Place and Swamp	17
River	6
Reserve	5,462
	6,788

THINNING OUT

A small number of 423 trees were lost during the year on account of Fomes and other diseases, and 3,544 trees were thinned out, making a total of 3,967 trees.

RUBBER TREE STATEMENT

Approximate number of trees on December 31st	152,166
In Tapping on December 31st	124,537
Approximate number not in tapping	27,629

WEATHER

With exception of the months September and October, weather conditions during the year proved favorable for collection of Crop.

RAINFALL

	No. of Days	Inches
January	4	2.32
February	2	4.36
March	6	6.72
April	10	19.28
May	10	12.44
June	4	7.72
July	7	10.32
August	7	12.60
September	14	14.28
October	11	31.16
November	10	5.32
December	7	6.52
	92	133.04

TAPPING AND COLLECTING

The crop of rubber harvested for the year amounted to 514,402 pounds, as compared with 305,773 pounds for the previous year.

Exports of rubber for the year were curtailed in accordance with the Rubber Restriction Regulations.

The 1937 Standard Production Assessment for this Estate was originally fixed at 562,235 pounds.

A claim against this Assessment was prepared and lodged by the Medan Agents, and proved successful, the Assessment being increased by 45,183 pounds, and being finally fixed at 607,418 pounds for the year.

Tapping throughout the year has been carried out on the A B C system in the older areas, whereby one-third of these areas receives a rotational six months rest from tapping, this system proving beneficial to the trees, and reducing bark consumption.

The younger areas have been tapped on the A B system, this system being quite normal with ruling bark conditions applying to the younger trees.

The Exportable Quota for the year amounted to 77.8726% of the Standard Production Assessment, i.e., 473,012 pounds, and was utilized in full.

The stock of rubber on hand at December 31, 1937, amounted to 84,542 pounds which has been carried over to 1938.

TABLE OF CROP

	No. of lb	No. of Trees in Tapping	No. of Acres in Bearing
January	44,690	95,733	1,067
February	36,313	95,733	1,067
March	35,045	96,946	1,067
April	36,377	107,073	1,169
May	44,507	115,122	1,129
June	44,584	120,128	1,138
July	47,086	120,114	1,138
August	46,510	120,097	1,138
September	45,340	124,554	1,227
October	46,352	124,537	1,227
November	47,077	124,537	1,227
December	40,521	124,537	1,227
Total	514,402	Average 114,092	1,152

The crop harvested during the year was sold as Sheet and Off Grades to buyers at Medan, Penang and Singapore.

The amount realized from sale of 473,000 pounds of rubber was Fl. 193,198.97.

The average price for the year of all grades was 40.84 guilder cents per pound, as against 24.7787 guilder cents per pound the previous year.

STATEMENT OF THE YIELDS ON THE DIFFERENT DIVISIONS

	Division A		Division B		Division C		Division D		Division E		Division F		Division G	
	Acres	lb	Acres	lb	Acres	lb	Acres	lb	Acres	lb	Acres	lb	Acres	lb
January .	259	Resting	289	14,300	257	14,111	94	5,887	158	10,592	...	Resting	..	Resting
February	259	Resting	289	12,054	257	10,242	94	4,797	158	9,220	...	Resting	..	Resting
March ..	259	Resting	289	10,328	257	11,692	94	4,423	158	8,602	...	Resting	..	Resting
April ...	259	11,352	289	11,489	257	Resting	94	3,911	158	7,334	109	2,291	..	Resting
May	259	13,779	289	13,437	257	Resting	94	4,288	158	9,088	109	3,915	..	Resting
June	259	14,084	289	13,581	257	Resting	94	3,936	158	8,758	109	4,225	..	Resting
July	259	12,224	289	15,137	257	Resting	94	4,399	158	9,276	109	6,050	..	Resting
August ...	259	13,493	289	13,257	257	Resting	94	5,236	158	8,661	109	5,863	..	Resting
September	259	12,159	289	13,063	257	Resting	94	4,986	158	8,761	109	5,733	61	638
October ..	259	10,728	289	Resting	257	14,169	94	4,865	158	9,482	109	5,776	61	1,332
November	259	10,110	289	Resting	257	14,370	94	5,036	158	9,868	109	6,301	61	1,392
December	259	10,306	289	Resting	257	10,858	94	4,712	158	7,873	109	5,423	61	1,349
	259	108,235	289	116,646	257	75,442	94	56,476	158	107,515	109	45,577	61	4,711

TABLE SHOWING YEARLY INCREASE OF YIELD

Year	Yield per Annum in lb
1923	14,294
1924	53,551
1925	83,865
1926	143,071
1927	189,434
1928	258,951
1929	291,132
1930	329,605
1931	459,168
1932	537,250
1933	534,720
1934	508,260*
1935	336,857†
1936	305,773‡
1937	514,402§

* From June 1st Restriction in force.
† Restriction 63.4463%
‡ Restriction 59.467%
§ Restriction 77.8726%.

TABLE OF SALES

Month	Quantity in lb	Guilders
January	18,000	6,986.99
February	43,800	15,853.53
March	42,000	17,434.87
April	18,000	8,272.52
May	53,600	22,935.43
June	19,295	8,050.10
July	51,560	20,103.96
August	44,800	19,855.63
September	27,025	11,873.81
October	55,885	22,584.99
November	78,400	34,655.87
December	20,635	4,591.27
Total	473,000	Fl. 193,198.97

COST OF WEEDING AND CHANGKOLLING

	Acres	Cost	Cost per Acre
January:			
Mature	1,227	Fl. 186.08	Fl. 0.15
Immature	57	119.61	2.10
February:			
Mature	1,227	238.68	0.19
Immature	57	93.20	1.64
March:			
Mature	1,227	288.65	0.23
Immature	57	.....	...
April:			
Mature	1,227	152.02	0.12
Immature	57	.....	...
May:			
Mature	1,227	210.09	0.17
Immature	57	68.79	1.21
June:			
Mature	1,227	271.51	0.22
Immature	57	26.10	0.46
July:			
Mature	1,227	209.23	0.17
Immature	57	168.60	2.96
August:			
Mature	1,227	184.37	0.15
Immature	57	160.59	2.82
September:			
Mature	1,227	218.08	0.18
Immature	57	133.11	2.34

COST OF WEEDING AND CHANGKOLLING—Continued.

	Acres	Cost	Cost per Acre
October:			
Mature	1,227	Fl. 259.82	Fl. 0.21
Immature	57	121.00	2.12
November:			
Mature	1,227	200.27	0.16
Immature	57	57.05	1.00
December:			
Mature	1,227	371.86	0.30
Immature	57	32.07	0.56

WEEDING AND CHANGKOLLING

Weeding is in good order and there is no lallang in the Estate, except that the ravine area in Blocks 8 and 9 remains the same as in previous years; the lallang in this area however is being kept short, and isolation drains maintained to prevent same spreading.

LABOR FORCE

Month	Men	Women	Total
January	127	27	154
February	128	32	160
March	134	33	167
April	147	45	192
May	143	45	188
June	141	48	189
July	152	58	210
August	139	61	200
September	143	61	204
October	149	69	218
November	151	74	225
December	146	71	217
Total labor force on the Estate, Dec. 31, 1937	146	71	
Total labor force on the Estate, Dec. 31, 1936	126	21	
Written off during the year 25.			
Died during the year 2.			

The laborers on the Estate remained as free laborers. During the year 80 coolies were recruited from Java, consequent to the necessity for increased crops to be harvested in order to meet the exportable allowance under Restriction.

The health of the coolies was good during the year.

PESTS AND DISEASES

During the year Pests and Diseases were kept under good control, some slight damage being caused by white ants and root diseases; only a small number of trees were lost however on this account.

ROADS AND BRIDGES

The usual upkeep was done during the year, four big bridges having been renewed, two in the outlet-road, and two in the Estate.

The Estate roads and outlet-road are in good condition.

REPAIRS AND RENEWALS TO BUNGALOWS

The usual upkeep to bungalow was carried out.

FACTORY AND BUILDINGS

Following inspection by an Architect, the main beams in the Factory were renewed, these being affected by dry rot. The building is now quite sound and in good condition.

COOLIE LINES, REPAIRS AND GENERAL UPKEEP

Usual upkeep was done and all are in good order, 5 Colonization Houses in Block 1C near the river were demolished during the year.

ESTIMATE

The 1938 Standard Production Assessment has been provisionally fixed at 617,890 pounds.

The permissible crop during the financial year 1938 has been estimated at 500,000 pounds.

GENERAL

The entire Estate is in excellent condition, and free from lallang and rough growths.

Mr. W. S. Cookson, the Visiting Agent, visited the Estate twice during the year, and periodical visits were made by the Medan Agents.

Respectfully submitted,

HAWAIIAN SUMATRA PLANTATIONS, LTD.
PANTAI BOEAJA ESTATE,
A. C. VAN ROSSUM, *Manager*.

Hawaiian Sumatra Plantations, Limited

TREASURER'S REPORT

To the Stockholders,
Hawaiian Sumatra Plantations, Ltd.

GENTLEMEN:

I herewith submit the following statements, taken from the books of your Company at December 31, 1937, together with the certificates of the Auditors:

Exhibit "A"—Condensed Balance Sheets, December 31, 1936, and December 31, 1937.

Exhibit "B"—Balance Sheet, December 31, 1937.

Exhibit "C"—Condensed Statement of Income and Profit and Loss, for the twelve months ended December 31, 1937.

Exhibit "D"—Kwala Goenoeng Estate, Statement of Income and Profit and Loss, for the twelve months ended December 31, 1937.

Exhibit "E"—Pantai Boeaja Estate, Statement of Income and Profit and Loss, for the twelve months ended December 31, 1937.

Schedule "A"—Segregation of General Expense, Kwala Goenoeng and Pantai Boeaja Estates.

Respectfully submitted,

W. A. WHITE,

Treasurer, Hawaiian Sumatra Plantations, Ltd.

Honolulu, T. H.

March 31, 1938.

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "A"

CONDENSED BALANCE SHEETS DECEMBER 31, 1936, AND DECEMBER 31, 1937

ASSETS

	December 31 1936	1937
Cash on hand, in Banks and with Agents	$ 92,350.52	$127,877.15
Accounts, Deposits and Advances Receivable	2,527.01	9,008.62
Inventories	11,596.84	14,058.39
Concessions—Less Reserve for Amortization	270,826.80	265,973.90
Kwala Goenoeng Estate—less Depreciation	286,517.63	282,276.43
Pantai Boeaja Estate—less Depreciation	161,527.42	154,316.46
Other Assets	234.59	9,419.80
	$825,580.81	$862,930.75

LIABILITIES

	December 31 1936	1937
Accounts Payable	$ 1,669.23	$ 1,770.61
Accrued Charges	6,951.83	5,129.96
Common Stock Outstanding	620,000.00	620,000.00
Surplus (Deficit)	*7,642.48*	*8,300.05*
Capital Surplus	197,776.23	197,776.23
Reserve Staff Commission, Excess Profits Tax and Income Tax	6,826.00	46,554.00
	$825,580.81	$862,930.75

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "B"

BALANCE SHEET

DECEMBER 31, 1937

ASSETS

Current Assets:			
Cash:		$127,877.15	
Cash in Bank, Kwala Goenoeng	$ 485.76		
Cash in Bank, Pantai Boeaja	944.78		
Chartered Bank, Medan	3,002.29		
Chartered Bank, Penang	9,465.33		
Bishop Trust Co., Ltd., Agents' Balance	38,978.99		
Bishop National Bank of Hawaii—			
Certificate of Deposit	75,000.00		
Accounts Receivable:		5,872.36	
Pantai Boeaja	$ 938.31		
Other	4,934.05		
Advances:		2,954.19	
Kwala Goenoeng—Staff	$ 99.03		
Kwala Goenoeng—Coolies	1,832.12		
Pantai Boeaja—Staff	44.20		
Pantai Boeaja—Coolies	978.84		
Deposits:		182.07	
Kwala Goenoeng	$ 167.50		
Pantai Boeaja	14.57		
Inventories:		14,058.39	
Kwala Goenoeng:			
Rubber on Hand	$ 4,807.69		
Rice	139.11		
Stocks in Stores	1,716.67		
Pantai Boeaja:			
Rubber on Hand	5,638.95		
Rice	764.94		
Material in Stores	991.03		
TOTAL CURRENT ASSETS			$150,944.16
Fixed Assets:			
Concessions:			
Kwala Goenoeng Estate	$120,000.00		
Less: Reserve for Depreciation	23,282.30	$ 96,717.70	
Pantai Boeaja Estate	$210,000.00		
Less: Reserve for Depreciation	40,743.80	169,256.20	265,973.90
Carried Forward			$416,918.06

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "B" (Continued)

BALANCE SHEET

DECEMBER 31, 1937

Brought Forward			$416,918.06
Kwala Goenoeng Estate:			
Development	$361,292.88		
Less: Reserve for Depreciation	104.391.21	$256,901.67	
Other Fixed Assets (Depreciated Value):			
Buildings	$ 4,012.38		
Poeloeh Hospital	2,400.00		
Tools and Implements	175.39		
Motor Vehicles	437.83		
Factory and Stores	11,670.96		
Furniture	5.20		
Plant and Machinery	5,639.84		
Tractors and Plows	172.75		
Wells and Water Supply	860.41	25,374.76	282,276.43
Pantai Boeaja Estate:			
Development	$233,868.16		
Less: Reserve for Depreciation	80,744.99	$153,123.17	
Other Fixed Assets (Depreciated Value):			
Buildings	$ 674.49		
Tools and Implements	.40		
Motor Vehicles	.40		
Factory and Stores	.40		
Furniture	6.40		
Plant and Machinery	510.80		
Wells and Water Supply	.40	1,193.29	154,316.46
Deferred Charges:			
Kwala Goenoeng:			
Rubber License Bureau	$ 69.82		
Telephone Subscription	18.12		
Recruiting Expense	1,533.01		
Quit Rent	188.47		
Pantai Boeaja:			
Recruiting Expense	1,740.43		
Sundries:			
Accrued Interest	285.45		
Netherland East Indies Taxation Suspense	5,494.50		
Personal Account	90.00		9,419.80
TOTAL ASSETS			$862,930.75
LIABILITIES			
Current Liabilities:			
Accounts Payable:			
Kwala Goenoeng	$ 522.55		
Pantai Boeaja	934.26		
Sundry Creditors, Medan	313.80	$ 1,770.61	
Accrued Charges:			
Kwala Goenoeng	$ 1,685.47		
Pantai Boeaja	3,344.49		
Suspense	100.00		
Income Tax 1936	3,804.00		
Income Tax 1937, Estimated	24,900.00		
Excess Profits Tax 1937, Estimated	8,500.00		
Staff Commission 1937, Estimated	9,350.00	51,683.96	
TOTAL CURRENT LIABILITIES			$ 53,454.57
Net Worth:			
Capital Stock—Common (62,000 shares @ $10)		$620,000.00	
Capital Surplus		197,776.23	
Operating Deficit		*8,300.05*	809,476.18
TOTAL LIABILITIES			$862,930.75

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "C"

CONDENSED STATEMENT OF INCOME AND PROFIT AND LOSS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1937

Revenue:		
Kwala Goenoeng Estate (Exhibit D)	$183,300.02	
Pantai Boeaja Estate (Exhibit E)	106,269.87	
TOTAL REVENUE		$289,569.89
Expenses:		
Kwala Goenoeng Estate (Exhibit D)	$ 76,052.09	
Pantai Boeaja Estate (Exhibit E)	56,536.24	
TOTAL EXPENSES		132,588.33
Net Profit from Operations		$156,981.56
Other Income:		
Difference in Exchange	$ 998.33	
Interest	1,116.16	2,114.49
TOTAL INCOME		$159,096.05
Other Expenses:		
Estimated Income Tax	$ 24,900.00	
Estimated Excess Profits Tax	8,500.00	33,400.00
NET PROFIT FOR THE YEAR		$125,696.05
SURPLUS ACCOUNT		
Net Gain for Year as above	$125,696.05	
Less:		
Deficit December 31, 1936	7,642.48	$118,053.57
Less:		
Additional Income Tax 1929	$ 811.20	
Additional Staff Commission 1936	1,542.42	
Dividends Paid	124,000.00	126,353.62
BALANCE (Deficit) December 31, 1937		$ *8,300.05*

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "D"

STATEMENT OF INCOME AND PROFIT AND LOSS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1937

KWALA GOENOENG ESTATE

Revenue:			
Rubber Sales		$183,290.68	
Sundry Receipts		9.34	
TOTAL REVENUE			$183,300.02
Expenses:			
Rubber in Bearing	$ 2,773.17		
Collection and Manufacture	13,433.74		
Packing and Transport	3,628.47		
Export Duty and Selling Expense	9,657.12		
Upkeep of Buildings and Machinery	1,029.90		
General Charges—Estate	18,083.98		
General Charges—Honolulu	5,292.26		
Staff Commissions	4,007.20	$ 57,905.84	
Depreciation:			
Buildings	$ 1,277.26		
Tools and Implements	18.02		
Motor Vehicles	425.00		
Factory and Stores	1,199.52		
Plant and Machinery	1,236.75		
Tractors and Plows	85.36		
Wells and Water Supply	185.73	4,427.64	
Amortization:			
Development Expense	$ 9,305.46		
Concessions	1,764.70	11,070.16	
Land Rent on Unplanted Area		1,974.57	
TOTAL EXPENSES		$ 75,378.21	
Add: Decrease in Inventory—			
Inventory January 1, 1937	$ 5,481.57		
Inventory December 31, 1937, deducted	4,807.69	673.88	
TOTAL COSTS			76,052.09
NET PROFIT FROM OPERATIONS			$107,247.93

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "E"

STATEMENT OF INCOME AND PROFIT AND LOSS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1937

PANTAI BOEAJA ESTATE

Revenue:			
Rubber Sales		$106,256.13	
Sundry Receipts		13.74	
TOTAL REVENUE			$106,269.87
Expenses:			
Rubber in Bearing	$ 2,465.56		
Collection and Manufacture	7,936.22		
Packing and Transport	2,327.11		
Export Duty	5,934.55		
Upkeep of Buildings and Machinery	1,349.31		
General Charges—Estate	14,129.49		
General Charges—Honolulu	2,807.56		
Staff Commissions	5,342.80	$ 42,292.60	
Depreciation:			
Buildings	$ 641.06		
Plant and Machinery	219.45	860.51	
Amortization:			
Development Expense	$ 8,939.37		
Concessions	3,088.20	12,027.57	
Land Rent on Unplanted Area		3,668.42	
TOTAL EXPENSES		$ 58,849.10	
Deduct: Increase in Inventory—			
Inventory December 31, 1937	$ 5,638.95		
Inventory January 1, 1937	3,326.09	2,312.86	
TOTAL COSTS			56,536.24
NET PROFIT FROM OPERATIONS			$ 49,733.63

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

SCHEDULE "A"

GENERAL EXPENSES OF ESTATES
TO DECEMBER 31, 1937

KWALA GOENOENG ESTATE

Salaries and Allowances		$ 6,401.72	
Wages of Clerks		1,045.37	
Motor Vehicles, Upkeep and Allowance		1,376.85	
Rent, Rates and Taxes		1,895.65	
Recruiting and Re-Engagement Expense		409.24	
Watchmen		51.16	
Advances Lost		36.58	
Hospital and Medicines		945.55	
Stationery, Printing and Office Expense		165.56	
Telegrams, Postage and Telephone		457.35	
Fire Insurance on General Buildings, etc.		156.79	
Labor Force Expenditure		710.67	
Sundry Charges		390.56	
Sundry Buildings, Repairs and General Upkeep		142.01	
Travelling Expense		13.75	
Repairs and Renewals to Bungalows		207.90	
Tools and Sundry Stores		139.17	
Loss on Rice and Coolie Foods		225.18	
General Transport		317.54	
Wells and Water Supply Upkeep		36.49	
Agency Fee and Audit Expense		3,114.06	
Retirement Bonus		2,566.19	
Surveying		447.43	
SUB TOTAL		$ 21,252.77	
Honolulu Charges:			
Fees, Agency, Legal and Miscellaneous	$4,931.57		
Office Expense	449.32	5,380.89	
SUB TOTAL		$ 26,633.66	
Gross Income and Capital Stock Taxes and Interest		718.50	
TOTAL EXPENSES TO BE DISTRIBUTED.		$ 27,352.16	
Distributed as follows:			
Rubber Capital Expenditure (14.928% of $26,633.66)			$ 3,975.92
Rubber Revenue Expenditure:			
Estate Expenditure (85.089% of $21,252.77)		$ 18,083.98	
Honolulu Expenditure (85% of $5,380.89 plus $718.50)		5,292.26	23,376.24
TOTAL AS ABOVE			$ 27,352.16

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

SCHEDULE "A"

GENERAL EXPENSES OF ESTATES

TO DECEMBER 31, 1937

PANTAI BOEAJA ESTATE

Salaries and Allowances		$ 4,817.05	
Wages of Clerks, Head Mandoers, etc.		698.72	
Motor Vehicles, Upkeep and Allowance		989.80	
Rent, Rates and Taxes		1,023.61	
Recruiting and Re-engagement Expenses		394.92	
Watchmen		85.22	
Hospital and Medicines		1,259.55	
Stationery, Printing and Office Expense		112.44	
Telegrams, Postage and Telephone		595.25	
Fire Insurance on General Buildings, etc.		184.60	
Labor Force Expenditure		480.89	
Sundry Charges		710.86	
Coolie Lines—Repairs and General Upkeep		549.11	
Travelling Expense		18.70	
Tools and Sundry Stores		98.49	
Repairs and Renewals to Bungalow		81.97	
Loss on Rice and Coolie Foods		157.20	
General Transport		58.61	
Audit Fees and Expenses		2,480.00	
Medan General Expenses		344.26	
Advances Lost		75.53	
Upkeep Water Supply		11.91	
Visiting Agent's Fee		274.94	
SUB TOTAL		$ 15,503.63	
Honolulu Charges:			
Fees, Agency, Legal and Miscellaneous..	$2,465.79		
Office Expense	224.67	2,690.46	
SUB TOTAL		$ 18,194.09	
Gross Income and Capital Stock Taxes and Interest...		359.24	
TOTAL EXPENSES TO BE DISTRIBUTED.		$ 18,553.33	
Distributed as follows:			
Rubber Capital Expenditure (8.8836% of $18,194.09)			$ 1,616.28
Rubber Revenue Expenditure:			
Estate Expenditure (91.1164% of $15,503.63)...		$ 14,129.49	
Honolulu Expenditure (91% of $2,690.46 plus $359.24)		2,807.56	16,937.05
TOTAL AS ABOVE			$ 18,553.33

Hawaiian Sumatra Plantations, Limited

AUDITORS' CERTIFICATE

We have audited the Balance Sheet with the books and vouchers at the Estates, and in our opinion the accounts have been correctly prepared, according to the best of our information and the explanations given to us.

McAULIFFE, TURQUAND, YOUNGS & CO.,
Chartered Accountants, *Auditors.*

Medan, January 24, 1938.

CERTIFICATE AND OPINION

We hereby certify that we have audited the books and records of the Hawaiian Sumatra Plantations, Limited, maintained in Honolulu, Hawaii, by the Treasurer of the Company, for the year ended December 31, 1937.

We are of the opinion that the attached Balance Sheet and Condensed Statement of Income and Profit and Loss correctly exhibit the financial condition of the Company as at December 31, 1937, and the results of operations for the twelve months ended that date, according to the report of the eastern auditors of the Company, to the best of our information, the explanations received by us, and as shown by the books of the Company in Honolulu, Hawaii.

HENRY DAVIS AUDIT COMPANY,
By J. J. DELPECH,
Certified Public Accountant.

Referred to and Approved by:
HENRY DAVIS,
Certified Public Accountant.

Honolulu, T. H.
March 31, 1938.

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TWENTY-THIRD ANNUAL REPORT

OF THE

Hawaiian Sumatra Plantations, Limited

FOR THE

TWELVE MONTHS ENDED DEC. 31, 1938

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KWALA GOENOENG ESTATE
Batoe Bahra, Sumatra, O. K.

PANTAI BOEAJA ESTATE
Langkat, Sumatra, O. K.

OFFICERS

G. P. WILCOX.....President
C. F. DAMON .....1st Vice-President
A. H. RICE.....2nd Vice-President
J. L. FLEMING.....Secretary
W. A. WHITE.....Treasurer

BOARD OF DIRECTORS

W. D. BALDWIN
J. K. CLARKE
C. F. DAMON
J. L. FLEMING
A. H. RICE
H. W. RICE
R. K. THOMAS
J. WATERHOUSE
W. A. WHITE
G. P. WILCOX
R. E. WOOLLEY

AGENTS

BISHOP TRUST CO., LTD.
HONOLULU, HAWAII

McAULIFFE, TURQUAND, YOUNGS & CO.,
Medan, E. C. Sumatra

AUDITORS

HENRY DAVIS AUDIT COMPANY, Honolulu, Hawaii
McAULIFFE, TURQUAND, YOUNGS & CO.,
Medan, E. C. Sumatra

TWENTY-THIRD ANNUAL REPORT

OF THE

Hawaiian Sumatra Plantations, Limited

FOR THE

TWELVE MONTHS ENDED DEC. 31, 1938

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KWALA GOENOENG ESTATE
Batoe Bahra, Sumatra, O. K.

PANTAI BOEAJA ESTATE
Langkat, Sumatra, O. K.

ADVERTISER PUBLISHING CO., LTD.
HONOLULU, HAWAII, U. S. A.
1939

Hawaiian Sumatra Plantations, Limited

To the Stockholders of
Hawaiian Sumatra Plantations, Ltd.

GENTLEMEN:

Submitted hereunder is the usual Consolidated Statement of areas, trees planted, production, receipts for rubber sold and in stock, and revenue expenditure on both estates during the year 1938, also a Comparative Statement for 1937 and 1938:

CONSOLIDATED STATEMENT

	Kwala Goenoeng Acres		Pantai Boeaja Acres
Mature Area—1913 to 1928	1,938.80	Mature	1,252
Immature Area—1928 to 1935	525.98	Immature	32
Replantings—Immature—1936 to 1938	142.77	New Clearings (for virgin planting 1939)	35
New Clearings (for virgin planting 1939)	125.00		
	2,732.55		1,319
Total Planted	2,607.55		1,284
Total Area in Rubber	3,891.55 Acres		

Approximate Number of Trees
December 31, 1938

Kwala Goenoeng:			
Mature Area	177,270		
Immature Area	108,359	285,629	
Pantai Boeaja:			
Mature Area	138,356		
Immature Area	10,771	149,127	434,756 approx.

Trees in Tapping and Resting
December 31, 1938

Kwala Goenoeng	176,192	
Pantai Boeaja	59,836	236,028 approx.
Number of Trees not in Tapping		198,728 approx.

PRODUCTION OF RUBBER

1938	Kwala Goenoeng lb	Pantai Boeaja lb	Total lb
January	104,492	47,007	151,499
February	70,620	35,774	106,394
March	51,849		51,849
April	49,166	28,257	77,423
May	50,119	40,871	90,990
June	55,000	34,416	89,416
July	54,261	41,470	95,731
August	53,052	27,564	80,616
September	51,913	29,300	81,213
October	38,534	32,030	70,564
November	33,097	20,235	53,332
December	42,638	37,869	80,507
Total	654,741	374,793	1,029,534

Comparative Statistics of Rubber Sales and Revenue Expenditure For the Years 1937 and 1938

Rubber Sales and Rubber in Stock 1937

Kwala Goenoeng:

Sale of 1937 Crop and 1936 Rubber in Stock	879,085 lb	@ 20.85¢	$183,290.68
1937 Stock on hand	86,314 lb	@ 5.57¢	4,807.69
Total Revenue and Inventory Value	965,399 lb	@ 19.484¢	$188,098.37

Pantai Boeaja:

Sale of 1937 Crop and 1936 Rubber in Stock	473,000 lb	@ 22.464¢	$106,256.13
1937 Stock on hand	84,542 lb	@ 6.67¢	5,638.95
Total Revenue and Inventory Value	557,542 lb	@ 20.069¢	$111,895.08

Rubber Sales and Rubber in Stock 1938

Kwala Goenoeng:

Sale of 1938 Crop and 1937 Rubber in Stock	586,983 lb	@	15.1366¢	$ 88,849.58
1938 Stock on hand	154,072 lb	@	5.82¢	8,966.99
Total Revenue and Inventory Value	741,055 lb	@	13.2¢	$ 97,816.57

Pantai Boeaja:

Sale of 1938 Crop and 1937 Rubber in Stock	328,579 lb	@	13.805¢	$ 45,360.88
1938 Stock on hand	130,756 lb	@	7.66¢	10,015.91
Total Revenue and Inventory Value	459,335 lb	@	12.056¢	$ 55,376.79

Revenue Expenditure 1937

	Kwala Goenoeng 877,129 lb	Cents per lb	Pantai Boeaja 514,402 lb	Cents per lb	Total 1,391,531 lb	Cents per lb
Revenue Expenditure	$59,880.41	6.8268	$45,961.02	8.9348	$105,841.43	7.6061
Depreciation	4,427.64	0.5048	860.51	0.1672	5,288.15	0.3800
Amortization	11,070.16	1.2621	12,027.57	2.3382	23,097.73	1.6601
Taxes					33,400.00	2.4000
	$75,378.21	8.5937	$58,849.10	11.4402	$167,627.31	12.0462

Revenue Expenditure 1938

	Kwala Goenoeng 654,741 lb	Cents per lb	Pantai Boeaja 374,793 lb	Cents per lb	Total 1,029,534 lb	Cents per lb
Revenue Expenditure	$43,269.23	6.6086	$31,733.39	8.467	$ 75,002.62	7.285
Depreciation	4,168.11	0.6361	536.96	0.143	4,705.07	0.457
Amortization	12,487.89	1.9073	12,179.54	3.249	24,667.43	2.396
Taxes					4,967.95	0.482
	$59,925.23	9.152	$44,449.89	11.859	$109,343.07	10.620

Respectfully submitted,

W. A. WHITE, *Treasurer.*

Honolulu, Hawaii,
March 30, 1939.

Hawaiian Sumatra Plantations, Limited

KWALA GOENOENG ESTATE

STAFF

Manager ..... G. L. Christensen
Assistant ..... J. Regter
Office Clerks ..... 1st, Abdul Firman; 2nd, Djammal

ACREAGE STATEMENT

Year of Planting	No. of Acres	Approx. No. of Trees	No. of Budgrafted Trees
1916	97.01	4,938	
1917	893.56	80,494	
1918	272.75	18,171	
1919	43.52		
1925	237.59	26,317	80
1926	301.22	35,763	
1927	43.24	4,575	
1928	49.91	7,012	612
1929		5,094	Interplanting
1930	210.78	30,039	30,039
1931	211.15	31,515	31,515
1932	78.03	12,389	Seeds of AVROS clones mixed
1934	26.02	3,452	Seeds of AVROS clones mixed
1936	31.33	4,363	307 and mixed clonal seeds
1937/38	111.44	21,507	Seeds of AVROS clones mixed
Total Area Planted	2,607.55	285,629	62,553
Roads	2		
Building Sites	8		
In course of new planting	125		
Reserve Land and Swamps	2,877.45		
Total Area of Concession	5,620	285,629	62,553

The following is a record of budgrafted trees to date:

Planting 1925—80 trees, AVROS clone 36.

Planting 1928—612 trees, AVROS clones 80, 152 and 163.

Planting 1930—11,501 trees, AVROS clones 49, 50, 71, 152, 183, 185, 214 and 256 as monoclones.

Planting 1930/31—17,549 trees, Java clones B. D. 5, Tjir. 1 and 16 as monoclones, interplanted with AVROS 185 and 214.

Planting 1931—32,504 trees, AVROS clones 49, 50, 71, 214, 222, 256 and 352. Straits clones Prang Besar 186, Sebrang 24, Glenshiel 1 and Java clones, Tjirandji 1 mixed in diagonal rows.

Planting 1936—307 trees, Prang Besar 186 and Sebrang 24.

Total—62,553 trees.

Specification of Planted Area

1,306.84	Acres	Old Rubber.
661.29	"	Planted with selected Kwala Goenoeng Seeds.
421.93	"	Planted with budgrafted trees.
78.03	"	Planted with seeds from A.V.R.O.S. Clones mixed.
26.02	"	Planted with seeds from A.V.R.O.S. Clones Nos. 274, 278, 282, 294 and 33.
2	"	Planted with budgrafted trees.
111.44	"	Planted with seeds from A.V.R.O.S. Clones No. 185, 163, 284, 282, 49, 274 and Java Clones B.D. 5 and Tjir. 1 mixed.
2,607.55	Acres.	

Rubber Trees Statement

Approximate number of trees, December 31, 1938		285,629
Number of trees in tapping, December 31, 1938	69,767	
Number of trees resting	104,288	
Number of trees resting (poor yielders)	2,137	176,192
Approximate number of trees not yet in tapping		109,437

WEATHER

The weather conditions for collecting the Crop were favorable during the year. Rains caused late tapping on 40 days and interfered on 16 days.

RAINFALL

Month	Days	Inches
January	9	10.52
February	4	2.64
March	13	7.52
April	9	9.44
May	7	4.44
June	6	2.20
July	4	2.20
August	13	11.64
September	11	7.48
October	8	9.32
November	8	2.68
December	5	1.68
Total	97	71.76

TAPPING AND CROP OF RUBBER

The crop harvested during the year amounted to 654,741 lbs. against the estimated 900,000 lbs.

The crop for January, 1938, was 104,492 lbs., and the biggest crop ever harvested on Kwala Goenoeng Estate in one month.

The Stock of Rubber at the end of the year was 154,072 lbs., which has been caried over to 1939.

The tapping system has been the A. B. system on the whole Estate, with six weeks daily tapping, followed by a rest for an equal period. Tapping has been continued on the old area with a V cut and with a single left half-spiral cut on the young area.

Owing to the reduced exportable quotas, the whole Estate was only tapped for the two months, January and February. From the first of March, Kwala Goenoeng and Soengei Djintan Divisions were put out of tapping, and from the first of October Tandjong Boenga Division was taken out, leaving only Poeloe Besar and Blimbing Divisions in tapping to the end of the year.

The average yield per tapper for the year was 5,366.73 lbs., against 5,187.02 lbs. for the previous year, and per tapper per day as follows:

	Pounds Per Tapper Per Day
January	16.89
February	13.83
March	15.55
April	15.18
May	15.49
June	17.11
July	16.73
August	15.81
September	16.72
October	16.80
November	16.22
December	18.15

The average yield per acre per annum was 581.50 lbs., and per tree 5.88 lbs., against 429.33 lbs. per acre and 5.12 lbs. per tree for the previous year.

TABLE OF CROP

Month	Crop lb	Total No. of Trees in Tapping and Resting	No. of Acres in Tapping
January	104,492	174,157	1,938.80
February	70,620	174,157	1,938.80
March	51,849	174,529	1,043.88
April	49,166	174,469	1,043.88
May	50,119	174,449	1,043.88
June	55,000	174,403	1,043.88
July	54,261	174,205	1,043.88
August	53,052	174,158	1,043.88
September	51,913	173,825	1,043.88
October	38,534	173,790	775.53
November	33,097	173,790	775.53
December	42,638	173,647	775.53
Total	654,741	Average 174,132	Average 1,125.95

The crop harvested during the year was sold as Sheet and Off Grades, on forward contract and to local buyers at Medan, delivered at Tandjong Tiram Port.

The average price for all Grades was 27.12 guilder cents per lb. f.o.r. Belawan and f.o.b. Penang, compared with 37.93 guilder cents per lb. for the previous year.

The average price for contract Rubber Sheet 1 was 40.71 guilder cents per lb. f.o.b. Belawan.

The average price for local sales, Sheet and Off Grades, was 24.57 guilder cents f.o.r. Belawan.

The cost price per lb. on the Estate was 10.60 guilder cents f.o.r. Belawan, compared with 10.08 guilder cents for the previous year.

TABLE OF SALES

Month	Crop lb	Sold lb	Guilders	Dollars á Gls. 1.80
January	104,492	54,830	8,826.07	4,903.37
February	70,620	44,800	15,704.25	8,724.58
March	51,849	86,190	23,832.10	13,240.06
April	49,166	50,400	12,398.88	6,888.26
May	50,119	43,630	11,463.14	6,368.41
June	55,000	56,000	18,127.79	10,070.99
July	54,261	39,200	10,269.55	5,705.31
August	53,052	33,600	9,235.28	5,130.71
September	51,913	48,300	13,242.88	7,357.16
October	38,534	36,665	10,507.01	5,837.23
November	33,097	39,830	10,623.33	5,901.85
December	42,638	33,600	9,549.01	5,305.01
Total	654,741	567,045	153,779.29	85,432.94

RUBBER RESTRICTION

The Standard Production Assessment for the year 1938 was 1,148,671 lbs., and the exportable allowance 567,127 lbs., being 49.357% of the Standard Production Assessment.

The exportable allowance for the first quarter of 1939 has been fixed at 12.5%, calculated on the 1938 Standard Production Assessment, equivalent to 143,583 lbs.

The crop for 1939 has been estimated at 750,000 lbs., being approximately 60% of the Standard Production Assessment.

REPLANTINGS 1937-38

The remaining 20.82 acres of this planting program (111.44 acres) were planted up during May and June, with clonal seeds in baskets.

Terraces and blind drains have been made over the whole area, where necessary.

REPLANTINGS 1934-36-37-38

The average cost per acre for these replantings is as follows:

	1934	1936	1937/38
Weeding before planting	Gls. 0.05	Gls.	Gls. .....
Lining, Holing and Planting	" 4.98	" 3.91	" 6.61
Seeds, Nurseries and Baskets	" 7.07	" 11.76	" 4.40
Removing Tree Stumps	" 12.60	" 20.19	" 19.24
Plowing	" 7.12	" 5.93	" 11.09
Harrowing	" 1.40	"	" .....
Tractors and Plows Upkeep	" 10.84	" 6.00	" 1.73
Seeds from A.V.R.O.S.	" 15.13	"	" 2.28
Total	Gls. 59.19	Gls. 47.79	Gls. 45.35

The plowing over of the 1937/38 area was done three times, as against twice with the other two replantings.

NEW CLEARINGS (EXTENSIONS)

In progress a total of 125 acres. Over this area, felling of the jungle has been completed.

One hundred acres have been burnt off, changkolled, lined for 143 plants per acre and holing 2'x2'x2' carried out, to permit of planting at the beginning of January, 1939, if weather conditions are favorable.

The area of reserve land chosen for these new plantings lies at the southeast corner of Kwala Goenoeng Division, bounded by the Estate road and Limau Manis Estate, and the area lying on the eastern boundaries of Block P and Q of Kwala Goenoeng Division, on the other side of the road.

PESTS AND DISEASES

Pests and diseases in the old areas were practically the same as in the previous year. Some slight damage was done by deer and pigs in the young areas.

IMMATURE AREAS

The Immature Rubber, on Blimbing Division Plantings 1930/31 and 32, is looking very well, and the growth of the trees is good. The area of approximately 100 acres of 1930 planting, which was reported to be "hanging" in growth, is now doing very well after being manured in February with sulphate of ammonia. Routine manuring will be carried out in these young areas.

The whole of Blimbing Division, both Immature and Mature areas, is under a good leguminous cover (Pueraria Javanica), which is kept free from sporadic lalang and other undesirable growths.

The replantings of 1934/36 and 1937/38 have a very healthy and vigorous growing appearance. The whole area of these replantings is covered with Pueraria Javanica ground cover, and is free from sporadic lalang and other undesirable weeds.

On these replantings (168.79 acres) routine manuring has been carried out during the year, and will be continued next year.

COVER CROP

Most areas, both of young and old plantings, are under a good leguminous cover (Pueraria Javanica), which is kept free from sporadic lalang and other undesirable growths.

COST OF WEEDING

Month	IMMATURE				MATURE			
	Acres	Cost	Cost per Acre		Acres	Cost	Cost per Acre	
		Gls.	Gls.	Dls.		Gls.	Gls.	Dls.
January	648	263.86	0.41	0.23	1939	289.58	0.15	0.08
February	648	198.08	0.30	0.17	1939	195.05	0.10	0.06
March	648	187.86	0.29	0.16	1939	229.76	0.12	0.07
April	648	195.08	0.30	0.17	1939	252.26	0.13	0.07
May	648	174.07	0.27	0.15	1939	151.08	0.08	0.04
June	669	177.01	0.26	0.14	1939	253.74	0.13	0.07
July	669	201.74	0.30	0.17	1939	286.55	0.15	0.08
August	669	91.82	0.14	0.08	1939	216.69	0.11	0.06
September	669	127.47	0.19	0.11	1939	265.07	0.14	0.08
October	669	130.46	0.19	0.11	1939	255.83	0.13	0.07
November	669	139.34	0.21	0.12	1939	82.45	0.04	0.02
December	669	194.25	0.29	0.16	1939	409.75	0.21	0.12

FACTORY AND BUILDINGS

All buildings have been kept in good condition, except the manager's bungalow which, being a 22-year-old wooden building, does not justify more than superficial repairs.

The factory buildings and machinery are in good order.

One new cheap Gamelan Shed was erected on Poeloe Besar Division.

ROADS AND BRIDGES

All roads and bridges on the Estate are in good order; two new bridges have been built on Kwala Goenoeng Division, where the road goes through the new clearings.

LABOR FORCE

Month	Men	Women	Total
January	242	66	308
February	241	66	307
March	238	61	299
April	236	38	274
May	233	37	270
June	232	40	272
July	232	46	278
August	232	47	279
September	229	51	280
October	225	64	289
November	226	63	289
December	225	65	290

Total labor force on the Estate December 31, 1937, 305.
Total labor force on the Estate December 31, 1938, 290.
The labor on the Estate remained as free labor.
During the year 36 new coolies were recruited locally.
The health of the staff and coolies has been good, with the exception of Mr. Regter, the assistant, and Abdul Firman, the head clerk, who have both had spells of sickness.

GENERAL

During the year the Estate was visited twice by our Visiting Agent Mr. H. C. Pinching, and several times by our Medan Agents.
The Estate is in excellent order in all respects.

Respectfully submitted,

HAWAIIAN SUMATRA PLANTATIONS, LTD.,
KWALA GOENOENG ESTATE,
G. CHRISTENSEN, Manager.

Pantai Boeaja Estate

MANAGER'S ANNUAL REPORT FOR THE YEAR 1938

STAFF

Manager.....A. C. van Rossum
Office Clerk.....Abdul Rany

TREES AND ACREAGE STATEMENT

Approx. No. Acres of Rubber	Date of Planting	No. of Acres		Approx. No. Trees
Mature—				
1,284	1917	87.69		9,098
	1918	134.74		12,743
	1919	200.15		16,625
	1920	257.00		26,188
	1921	256.00		25,563
	1923	24.71		4,323
	1924	39.54		6,966
	1925	84.02		14,508
	1926	64.25		10,824
	1929	79.07	(mixed with budgrafted trees and selected seeds)	11,518
	1930	24.89	(budgrafted trees—AVROS Clones)	4,775
	1930	27.00	(budgrafted trees—AVROS Clones)	5,211
	1931	4.94	(budgrafted trees—AVROS Clones)	785
1,284		1,284.00		149,127

	Acres
Total Planted	1,284
Roads	9
Buildings	10
Burial Place and Swamp	17
River	6
New Land opened to be planted January, 1939	35
Reserve Land	5,427
	6,788

NEW CLEARINGS (EXTENSIONS)

Thirty-five acres of new land have been cleared ready for planting with rubber at the beginning of 1939, the earliest date permitted under the new Rubber Restriction Regulations. An additional 125 acres will be cleared and planted during the year 1939.

The new areas will be planted with budgrafted trees and selected seedlings from A.V.R.O.S. clones—180 trees to the acre.

The cost of opening up the first 35 acres ready for planting amounted to Fl. 2,595.32, which is equivalent to Fl. 74.00 per acre.

THINNING OUT

Four hundred and twenty-seven trees were lost during the year on account of Fomes and other diseases, and 2,612 trees were thinned out, making a total reduction of 3,039 trees.

RUBBER TREE STATEMENT

Approximate number of trees at December 31, 1938	149,127
Number of trees in tapping at December 31, 1938	59,836
Approximate number of trees not in tapping	89,291

WEATHER

Weather conditions during the past year have been favorable, rains interfering with tapping on only a very few occasions.

RAINFALL

	No. of Days	Inches
January	2	.92
February	5	2.44
March	12	12.52
April	7	11.60
May	6	9.80
June	6	5.60
July	5	3.96
August	15	11.52
September	14	13.96
October	10	15.40
November	11	12.64
December	6	5.28
	99	105.64

TAPPING AND COLLECTING

The crop of rubber harvested for the year amounted to 374,793 lbs., as compared with 514,402 lbs. for the previous year.

Exports of rubber for the year were curtailed in accordance with the Exportable Quota for each quarter as allotted to the Estate under the Rubber Restriction Regulations.

The Standard Production Assessment for the year 1938 was fixed at 624,503 lbs. The export quota for the year amounted to 49.357% of the Standard Production Assessment, i.e. 307,236 lbs., and was utilized in full.

The stock of rubber on hand at December 31, 1938, amounted to 130,756 lbs.

In order to keep the crop within the restriction limit, the number of tappers had to be reduced during the year from 137 to 81, whilst Fields E, F and G were taken out of tapping.

TABLE OF CROP

The production for the year was as follows:

January	47,007	lbs.
February	35,774	"
March		"
April	28,257	"
May	40,871	"
June	34,416	"
July	41,470	"
August	27,564	"
September	29,300	"
October	32,030	"
November	20,235	"
December	37,869	"
Total	374,793	lbs.

The crop harvested during the year was sold as Sheet and Off Grades to local buyers.

The amount realized for sale of 308,066 lbs. of rubber was Fl. 82,082.99. The average price for the year of all grades was therefore 26.64 guilder cents per lb., as against 40.84 guilder cents per lb. for the previous year.

TABLE SHOWING YEARLY INCREASE OF YIELD

Year	Crop in lbs.		
1928	258,951		
1929	291,132		
1930	329,605		
1931	459,168		
1932	537,250		
1933	534,720		
1934	508,260	From June 1st Restriction in force.	
1935	336,857	Restriction 63.4463%	Exportable Quota
1936	305,773	Restriction 59.467%	
1937	514,402	Restriction 77.8726%	
1938	374,793	Restriction 49.357%	

TABLE OF SALES

Month	Quantity in lb		Guilders
January	56,000		17,514.79
February	22,400		9,162.64
March	16,800		3,103.01
April	22,400		4,747.04
May	33,600		6,434.70
June	33,600		6,949.07
July	21,280		5,561.61
August	16,800		4,617.34
September	24,930		6,980.13
October	20,160		5,860.85
November	20,160		5,695.12
December	19,936		5,665.81
	308,066	Fl.	82,292.11

WEEDING AND CHANGKOLLING

The Estate is in a very good state of cultivation, and is entirely free from lalang and other rough growths. A cover crop of Pueraria Javanica is now being established.

LABOR FORCE

Month	Men	Women	Total
January	146	70	216
February	147	72	219
March	146	72	218
April	145	68	213
May	144	63	207
June	141	63	204
July	146	62	208
August	145	63	208
September	146	63	209
October	147	63	210
November	146	63	209
December	150	77	227

Total labor force on the Estate Dec. 31, 1938: 150 men, 77 women.

Total labor force on the Estate Dec. 31, 1937: 146 men, 71 women.

Written off during the year: 4.

Died during the year: 1.

The laborers on the Estate remained as free laborers. During the year 41 new coolies were engaged locally.

The health of the coolies was good during the year.

PESTS AND DISEASES

Pests and diseases were kept under control throughout the year, and very few trees were lost on this account. Damage caused by white ants and root diseases was also slight.

ROADS AND BRIDGES

All roads are in good order, the usual upkeep work having been carried out during the year.

The local authorities have granted an annual subsidy of Fl. 263.56 towards the upkeep of the main outlet road from the Estate.

REPAIRS AND RENEWALS TO BUNGALOWS

The necessary repairs to the Manager's Bungalow and other buildings were effected during the year.

FACTORY AND BUILDINGS

The Factory and Smokehouses have been kept in a good state of repair. The zinc roofs of the buildings have been painted with bituminous solution.

COOLIE LINES, REPAIRS AND GENERAL UPKEEP

Routine upkeep was attended to during the year, though it will be necessary to re-attap certain of the buildings during the year 1939.

GROUND COVER

Special endeavor has been made to establish a ground cover of Pueraria Javanica throughout the Estate, particularly in the old areas. A good ground cover will save weeding expense, and at the same time will improve the condition of the soil.

A certain amount of light changkolling, together with an application of Cheribon Phosphate manure, has been carried out in order to stimulate the growth of the ground cover.

ESTIMATES

The Standard Production Assessment for the year 1939 has not yet been fixed, but should amount to approximately 650,000 lbs. The actual production will depend upon the percentage of exportable quota announced for each quarter, and for purpose of the accounts the 1939 crop has been estimated at 360,000 lbs.

GENERAL

The entire Estate is in very good condition and free from lalang and other growths.

Mr. H. C. Pinching, the Visiting Agent, visited the Estate twice during the year, and periodical visits were made by the Medan Agents.

Respectfully submitted,

HAWAIIAN SUMATRA PLANTATIONS, LTD.
PANTAI BOEAJA ESTATE,
A. C. VAN ROSSUM, *Manager.*

Hawaiian Sumatra Plantations, Limited

TREASURER'S REPORT

To the Stockholders,
Hawaiian Sumatra Plantations, Ltd.

GENTLEMEN:

I herewith submit the following statements, taken from the books of your Company at December 31, 1938, together with the certificates of the Auditors:

Exhibit "A"—Condensed Balance Sheets, December 31, 1937, and December 31, 1938.

Exhibit "B"—Balance Sheet, December 31, 1938.

Exhibit "C"—Condensed Statement of Income and Profit and Loss, for the twelve months ended December 31, 1938.

Exhibit "D"—Kwala Goenoeng Estate, Statement of Income and Profit and Loss, for the twelve months ended December 31, 1938.

Exhibit "E"—Pantai Boeaja Estate, Statement of Income and Profit and Loss, for the twelve months ended December 31, 1938.

Schedule "A"—Segregation of General Expense, Kwala Goenoeng and Pantai Boeaja Estates.

Respectfully submitted,

W. A. WHITE,

Treasurer.

Honolulu, T. H.
March 30, 1939.

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "A"

CONDENSED BALANCE SHEETS DECEMBER 31, 1937, AND DECEMBER 31, 1938

ASSETS

	December 31 1937	1938
Cash on hand, in Banks and with Agents	$127,877.15	$ 96,993.27
Accounts, Deposits and Advances Receivable	9,008.62	2,596.38
Inventories	14,058.39	23,154.28
Concessions—Less Reserve for Amortization	265,973.90	261,121.00
Kwala Goenoeng Estate—Less Depreciation	282,276.43	284,115.19
Pantai Boeaja Estate—Less Depreciation	154,316.46	150,267.52
Other Assets	9,419.80	27,622.74
	$862,930.75	$845,870.38

LIABILITIES

	December 31 1937	1938
Accounts Payable	$ 1,770.61	$ 954.34
Accrued Charges	5,129.96	8,762.87
Common Stock Outstanding	620,000.00	620,000.00
Surplus (Deficit)	*8,300.05*	*17,187.33*
Capital Surplus	197,776.23	197,776.23
Reserve Staff Commission and Taxes	46,554.00	35,564.27
	$862,930.75	$845,870.38

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "B"

BALANCE SHEET

DECEMBER 31, 1938

ASSETS

Current Assets:			
Cash		$ 96,993.27	
Cash in Bank, Kwala Goenoeng	$ 943.79		
Cash in Bank, Pantai Boeaja	570.18		
Chartered Bank, Medan	6,137.39		
Chartered Bank, Penang	13.80		
Bishop Trust Co., Ltd., Agent's Balance	39,328.11		
Bishop National Bank of Hawaii—			
Certificate of Deposit	50,000.00		
Accounts Receivable:			
Advances		2,414.31	
Kwala Goenoeng—Staff	$ 30.33		
Kwala Goenoeng—Coolies	1,352.36		
Pantai Boeaja—Staff	37.87		
Pantai Boeaja—Coolies	993.75		
Deposits		182.07	
Kwala Goenoeng	$ 167.50		
Pantai Boeaja	14.57		
Inventories		23,154.28	
Kwala Goenoeng:			
Rubber on hand	$ 8,966.99		
Rice on hand	749.88		
Stocks in Stores	1,960.80		
Pantai Boeaja:			
Rubber on hand	10,015.91		
Rice on hand	443.52		
Material in Stores	1,017.18		
TOTAL CURRENT ASSETS			$122,743.93
Fixed Assets:			
Concessions:			
Kwala Goenoeng Estate	$120,000.00		
Less: Reserve for Depreciation	25,047.00	$ 94,953.00	
Pantai Boeaja Estate	$210,000.00		
Less: Reserve for Depreciation	43,832.00	166,168.00	261,121.00
Carried Forward			$383,864.93

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "B" (Continued)

BALANCE SHEET

DECEMBER 31, 1938

Brought Forward			$383,864.93
Kwala Goenoeng Estate:			
Development	$377,843.35		
Less: Reserve for Depreciation	115,114.40	$262,728.95	
Other Fixed Assets (Depreciated Value):			
Buildings	$ 2,942.49		
Poeloeh Hospital	2,400.00		
Tools and Implements	144.72		
Motor Vehicles	13.00		
Factory and Stores	10,509.05		
Furniture	5.20		
Plant and Machinery	4,670.13		
Tractors and Plows	87.39		
Wells and Water Supply	614.26	21,386.24	284,115.19
Pantai Boeaja Estate:			
Development	$239,447.52		
Less: Reserve for Depreciation	89,836.33	$149,611.19	
Other Fixed Assets (Depreciated Value):			
Buildings	$ 348.89		
Tools and Implements	.40		
Motor Vehicles	.40		
Factory and Stores	.40		
Furniture	6.40		
Plant and Machinery	299.44		
Wells and Water Supply	.40	656.33	150,267.52
Deferred Charges:			
Kwala Goenoeng:			
Rubber License Bureau	$ 60.50		
Telephone Subscription	17.92		
Recruiting Suspense	937.93		
Pantai Boeaja:			
Recruiting Suspense	956.31		
Sundries:			
Accrued Interest	155.55		
Netherland East Indies Taxation Suspense, 1936	5,494.50		
Netherland East Indies Taxation Suspense, 1937	20,000.00		27,622.74
TOTAL ASSETS			$845,870.38
LIABILITIES			
Current Liabilities:			
Accounts Payable:			
Kwala Goenoeng	$ 398.10		
Pantai Boeaja	556.24	$ 954.34	
Accrued Charges:			
Kwala Goenoeng	$ 5,442.30		
Pantai Boeaja	3,320.57		
Staff Commission 1938	1,892.32		
Income Tax 1936	3,804.00		
Income Tax 1937	24,900.00		
Income Tax 1938	4,967.95	44,327.14	
TOTAL CURRENT LIABILITIES			$ 45,281.48
Net Worth:			
Capital Stock—Common (62,000 shares @ $10)		$620,000.00	
Capital Surplus		197,776.23	
Operating Deficit		*17,187.33*	800,588.90
TOTAL LIABILITIES			$845,870.38

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "C"

CONDENSED STATEMENT OF INCOME AND PROFIT AND LOSS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1938

Revenue:		
Kwala Goenoeng Estate (Exhibit D)	$ 84,917.61	
Pantai Boeaja Estate (Exhibit E)	45,422.16	
TOTAL REVENUE		$130,339.77
Expense:		
Kwala Goenoeng Estate (Exhibit D)	$ 57,774.41	
Pantai Boeaja Estate (Exhibit E)	43,749.20	
TOTAL EXPENSE		101,523.61
NET PROFIT FROM OPERATIONS		$ 28,816.16
Other Income:		
Difference in Exchange	$ 485.03	
Interest	807.60	1,292.63
TOTAL INCOME		$ 30,108.79
Other Expense:		
Estimated Income Tax		4,967.95
NET PROFIT FOR THE YEAR		$ 25,140.84

SURPLUS ACCOUNT

Net Gain for Year as above	$ 25,140.84	
Less:		
Deficit December 31, 1937	8,300.05	$ 16,840.79
Add:		
Refund Prior Year Gross Income Tax	$ 46.93	
Excess Profits Tax 1937 over-estimated	24.95	71.88
		$ 16,912.67
Less:		
Dividends Paid		34,100.00
BALANCE (Deficit) December 31, 1938		*$ 17,187.33*

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "D"

STATEMENT OF INCOME AND PROFIT AND LOSS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1938

KWALA GOENOENG ESTATE

Revenue:			
Rubber Sales		$ 84,849.58	
Sundry Receipts		68.03	
TOTAL REVENUE			$ 84,917.61
Expense:			
Rubber in Bearing	$ 2,276.97		
Collection and Manufacture	9,813.57		
Packing and Transport	3,029.08		
Export Duty and Selling Expense	10,185.22		
Upkeep Buildings and Machinery	855.46		
General Charges—Estate	12,109.44		
General Charges—Honolulu	4,188.49		
Staff Commission	811.00	$ 43,269.23	
Depreciation:			
Buildings	$ 1,096.70		
Tools and Implements	30.67		
Motor Vehicles	424.83		
Factory and Stores	1,161.91		
Plant and Machinery	1,122.49		
Tractors and Plows	85.36		
Wells and Water Supply	246.15	4,168.11	
Amortization:			
Development Expense	$ 10,723.19		
Concessions	1,764.70	12,487.89	
Land Rent on Unplanted Area		2,008.48	
TOTAL EXPENSE		$ 61,933.71	
Deduct: Increase in Inventory—			
Inventory December 31, 1938	$ 8,966.99		
Inventory January 1, 1938	4,807.69	4,159.30	
TOTAL COSTS			$ 57,774.41
NET PROFIT FROM OPERATIONS			$ 27,143.20

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "E"

STATEMENT OF INCOME AND PROFIT AND LOSS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1938

PANTAI BOEAJA ESTATE

Revenue:			
Rubber Sales		$ 45,360.88	
Sundry Receipts		61.28	
TOTAL REVENUE			$ 45,422.16
Expense:			
Rubber in Bearing	$ 3,494.71		
Collection and Manufacture	4,957.09		
Packing and Transport	1,928.60		
Export Duty and Selling Expense	5,143.37		
Upkeep Buildings and Machinery	958.78		
General Charges—Estate	11,666.83		
General Charges—Honolulu	2,502.69		
Staff Commission	1,081.32	$ 31,733.39	
Depreciation:			
Buildings	$ 325.60		
Plant and Machinery	211.36	536.96	
Amortization:			
Development Expense	$ 9,091.34		
Concessions	3,088.20	12,179.54	
Land Rent on Unplanted Area		3,676.27	
TOTAL EXPENSE		$ 48,126.16	
Deduct: Increase in Inventory—			
Inventory December 31, 1938	$ 10,015.91		
Inventory January 1, 1938	5,638.95	4,376.96	
TOTAL COSTS			$ 43,749.20
NET PROFIT FROM OPERATIONS			$ 1,672.96

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

SCHEDULE "A"

GENERAL EXPENSES OF ESTATES
TO DECEMBER 31, 1938

KWALA GOENOENG ESTATE

Salaries and Allowances		$ 6,741 35	
Wages of Clerks		1,304.80	
Motor Vehicles, Upkeep and Allowance		1,404.56	
Rent, Rates and Taxes		1,857.17	
Recruiting and Re-engagement Expense		635.89	
Watchmen		48.77	
Hospital and Medicines		776.53	
Stationery, Printing and Office Expense		154.99	
Telegrams, Postage and Telephone		403.67	
Fire Insurance on General Buildings, etc		146.63	
Labor Force Expenditure		871.11	
Sundry Charges		234.67	
Sundry Buildings, Repairs and General Upkeep		321.27	
Travelling Expense		74.77	
Tools and Sundry Stores		180.37	
Repairs and Renewals to Bungalows		92.07	
General Transport		292.98	
Wells and Water Supply Upkeep		86 78	
Agency Fee and Audit Expense		2,969 42	
Surveying		83.79	
SUB TOTAL		$ 18,681.59	
Honolulu Charges:			
Fees, Agency, Legal and Miscellaneous	$4,860.59		
Office Expense	254.34	5,114.93	
SUB TOTAL		$ 23,796.52	
Capital Stock Tax and Interest		876.57	
TOTAL EXPENSE TO BE DISTRIBUTED		$ 24,673.09	
Distributed as follows:			
Rubber Capital Expenditure (35.195% of $23,796.52)			$ 8,375.16
Rubber Revenue Expenditure:			
Estate Expenditure (64.82% of $18,681.59)		$ 12,109.44	
Honolulu Expenditure (64.75% of $5,114.93 plus $876.57)		4,188.49	16,297.93
TOTAL AS ABOVE			$ 24,673.09

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

SCHEDULE "A"

GENERAL EXPENSES OF ESTATES

TO DECEMBER 31, 1938

PANTAI BOEAJA ESTATE

Salaries and Allowances		$ 4,827.05	
Wages of Clerks, Head Mandoers, etc.		779.71	
Motor Vehicles, Upkeep and Allowance		991.86	
Rent, Rates and Taxes		1,046.74	
Recruiting and Re-engagement Expense		771.47	
Watchmen		88.12	
Hospital and Medicines		1,024.98	
Stationery, Printing and Office Expense		107.32	
Telegrams, Postage and Telephone		590.06	
Fire Insurance on General Buildings, etc.		147.70	
Labor Force Expenditure		470.35	
Sundry Charges		413.28	
Coolie Lines—Repairs and General Upkeep		58.93	
Travelling Expense		11.02	
Tools and Sundry Stores		59.88	
Repairs and Renewals to Bungalow		103.22	
General Transport		35.20	
Audit Fees and Expenses		2,390.94	
Medan General Expenses		199.40	
Visiting Agent's Fee		275.52	
Establishment		52.70	
SUB TOTAL		$ 14,445.45	
Honolulu Charges:			
Fees, Agency, Legal and Miscellaneous	$2,430.31		
Office Expense	127.17	2,557.48	
SUB TOTAL		$ 17,002.93	
Capital Stock Tax and Interest		438.29	
TOTAL EXPENSE TO BE DISTRIBUTED		$ 17,441.22	
Distributed as follows:			
Rubber Capital Expenditure (19.243% of $17,002.93)			$ 3,271.70
Rubber Revenue Expenditure:			
Estate Expenditure (80.76% of $14,445.45)		$ 11,666.83	
Honolulu Expenditure (80.72% of $2,557.48 plus $438.29)		2,502.69	14,169.52
			$ 17,441.22

Hawaiian Sumatra Plantations, Limited

AUDITORS' CERTIFICATE

We have audited the Balance Sheet with the books and vouchers at the Estates, and in our opinion such Balance Sheet has been properly drawn up so as to exhibit a true and correct view of the Company's affairs in Sumatra as at December 31, 1938, according to the best of our information and the explanations given to us, and as shown by the Books.

McAULIFFE, TURQUAND, YOUNGS & CO.,
Chartered Accountants, *Auditors.*

Medan, January 30, 1939.

CERTIFICATE AND OPINION

We hereby certify that we have audited the books and records of the Hawaiian Sumatra Plantations, Limited, maintained in Honolulu, Hawaii, by the Treasurer of the Company, for the year ended December 31, 1938.

We are of the opinion that the attached Balance Sheet and Condensed Statement of Income and Profit and Loss correctly exhibit the financial condition of the Company as at December 31, 1938, and the results of operations for the twelve months ended that date, according to the report of the eastern auditors of the Company, to the best of our information, the explanations received by us, and as shown by the books of the Company in Honolulu, Hawaii.

HENRY DAVIS AUDIT COMPANY,
By J. J. DELPECH,
Certified Public Accountant.

Referred to and Approved by:
HENRY DAVIS,
Certified Public Accountant.

Honolulu, T. H.
March 28, 1939.

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TWENTY-FOURTH ANNUAL REPORT

OF THE

Hawaiian Sumatra Plantations, Limited

FOR THE

TWELVE MONTHS ENDED DEC. 31, 1939

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KWALA GOENOENG ESTATE
Batoe Bahra, Sumatra, O. K.

PANTAI BOEAJA ESTATE
Langkat, Sumatra, O. K.

OFFICERS

C. F. DAMON ..... President
J. L. FLEMING ..... 1st Vice-President
A. H. RICE ..... 2nd Vice-President
C. MASER ..... Secretary
W. A. WHITE ..... Treasurer

BOARD OF DIRECTORS

W. D. BALDWIN
J. K. CLARKE
C. F. DAMON
J. L. FLEMING
A. H. RICE
H. W. RICE
R. K. THOMAS
J. WATERHOUSE
W. A. WHITE
G. P. WILCOX
R. E. WOOLLEY

AGENTS

BISHOP TRUST CO., LTD.
HONOLULU, HAWAII

McAULIFFE, TURQUAND, YOUNGS & CO.,
Medan, E. C. Sumatra

AUDITORS

HENRY DAVIS AUDIT COMPANY, Honolulu, Hawaii
McAULIFFE, TURQUAND, YOUNGS & CO.,
Medan, E. C. Sumatra

TWENTY-FOURTH ANNUAL REPORT

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KWALA GOENOENG ESTATE
Batoe Bahra, Sumatra, O. K.

PANTAI BOEAJA ESTATE
Langkat, Sumatra, O. K.

ADVERTISER PUBLISHING CO., LTD.
HONOLULU, HAWAII, U. S. A.
1940

Hawaiian Sumatra Plantations, Limited

REPORT OF VICE-PRESIDENT FLEMING
ON INSPECTION VISIT—MARCH, 1940

With Mr. Corrie Grumitt, the writer left Penang at 1:45 p.m. by Dutch plane, and we were in Medan in an hour. We left immediately by auto for Pantai Boeaja, and arrived there about 4:00 p.m.

The fine condition of the foliage was noticeable as soon as the boundary was reached. On the old areas no lalang or other noxious growths can be seen. In some sections there is a fair stand of mixed cover crops such as centrosema and pueraria, but with the heavy foliage it is too much to expect that cover crops can do well. The shade is too heavy. To me personally it was a surprise to note that the trees in the older areas have not increased very much in height, but they have spread out, and the irregular planting is not now nearly so noticeable as formerly. One area on the flat between the factory and the Manager's house should be replanted. While the trees remaining in this section are good, there are so few to the acre that the production per acre is very small. Replanting could be done very cheaply, as the present mixed cover crop of centrosema and pueraria is well established.

The younger plantings on the West end look well, and are producing a good yield per acre. Terandji 1 is considered the best clone on Pantai Boeaja, closely followed by Bodjong Datar 5.

The new 1939 clearing and planting on the West boundary on the edge of the jungle is a first-class job in every way, and a credit to any company. All the young trees are planted on contours, and are growing well, as is the cover crop. We did not see one blank in the whole area. This planting was done on land when the original jungle forest was felled many years ago, so the heavy timber has had a chance to rot, and when the second growth was burned what was left of most of the old trees was also consumed at the same time. Further back from the river the land seems even better, so if and when any additional new planting is done, there is an estimated 300 acres formerly felled which should be as good rubber as the last planted. Manager van Rossum is justifiably proud of this latest planted section.

The factory building and machinery are rather old. Steam power is used, and there is an abundance of firewood available not too far from the factory.

The grades of rubber produced are up to normal standard with present machinery, which may last for some time yet. When the new plantings come in, it may and probably will be necessary to install more modern equipment.

With Mr. Grumitt, we believe that Pantai Boeaja planted areas should be enlarged to 2,000 acres, and with this area in rubber the estate should be a low cost economical producer.

In general, the estate is in first-class condition throughout. Other than maintaining immature areas, only very necessary minor improvements should be made during the present period of high prices caused by the war in Europe.

Leaving Pantai Boeaja, we arrived at Kwala Goenoeng about 7:00 p.m. on March 27th, and were out at daylight the next morning.

The improvement in foliage as compared with my last visit was very marked on all old areas. We first went through the last planted sections which are as good as any of similar age to be seen anywhere. These new areas are all on low lying jungle land, formerly rejected in favor of the open lalang lands. While the latter can be planted more cheaply, the soil is not nearly so good through burning off the lalang each year and the fact that lalang itself takes the best out of any soil. Only a small outlay for drainage was found necessary, and we expect this last planted land to give the highest yields on the estate.

While the present export allowance is in force, Manager Christensen finds it an easy matter to obtain the permitted export quota without tapping many young trees which are quite large enough to be tapped but which will unquestionably be all the better later for having been left some time longer. The trees planted between 1930 and 1934 so far have been tapped for test purposes only. In the tests recently undertaken, A.V.R.O.S. 185 made the best showing, but Terandji 1 has lately been coming up so rapidly that Manager Christensen believes it will outstrip A.V.R.O.S. 185 and be at the head of the list, as it is nearly everywhere else.

In general, the property is well kept throughout. No lalang whatever was seen in any of the planted areas.

In Mr. Pinching's reports he has called attention to hard bark and poor bark renewal on some of the older sections, such as Kwala Goenoeng and Sungei Djintan. We recommend starting to replant 200 acres, approximately 75 acres from the first planted area on the estate, and the balance from the poor part of Sungei Djintan.

With the minor exception of new corrugated roofs required on smoke houses, the factory is in good condition, but aluminum pans should be discarded in favor of wooden tanks with wood sections. Aluminum tanks are preferable, but the price is now prohibitive. New wooden tanks are being made at Pantai Boeaja for Kwala Goenoeng, and the cost is only about one-fifth of aluminum.

Laborers' quarters are good and well kept. The cottages required by the Government are being constructed in accordance with regulations.

Details of the new Income Tax are not yet quite clear, but it appears that the Excess provisions of the Act will apply only to profits which may exceed the average of the three years 1936, 1937 and 1938. It is very fortunate that by selling forward in 1937 and 1938, our average for the three years will be quite high.

In general the fine condition of the Kwala Goenoeng estate is a proof of Mr. Christensen's ability as manager, and the writer left your property with the feeling that it is as good as any, and under most competent supervision by Agents, Visiting Agent and Manager.

(*Signed*) J. L. FLEMING.

Honolulu, Hawaii.
April 18, 1940.

Hawaiian Sumatra Plantations, Limited

To the Stockholders of
Hawaiian Sumatra Plantations, Ltd.

GENTLEMEN:

Submitted hereunder is the usual Consolidated Statement of areas, trees planted, production, receipts of rubber sold, value of rubber in stock, and revenue expenditure on both estates during the year 1939, also a Comparative Statement for 1938 and 1939:

CONSOLIDATED STATEMENT

	Kwala Goenoeng Acres		Pantai Boeaja Acres
Mature Area—1916 to 1930	2,105.00	Mature	1,284.00
Immature Area—1930 to 1932	333.76	Immature	126.40
Replantings: Immature—1934 to 1937	168.79		
New Plantings: Immature—1939	280.74		
Total Planted	2,888.29		1,410.40
Total Area in Rubber	4,298.69 Acres		

Approximate Number of Trees
December 31, 1939

Kwala Goenoeng:			
Mature Area	201,582		
Immature Area	122,839	324,421	
Pantai Boeaja:			
Mature Area	135,865		
Immature Area	21,488	157,353	481,774 approx.

Trees in Tapping and Resting
December 31, 1939

Kwala Goenoeng	196,806	
Pantai Boeaja	135,865	332,671 approx.
Number of Trees not in Tapping		149,103 approx.

PRODUCTION OF RUBBER

1939	Kwala Goenoeng lb	Pantai Boeaja lb	Total lb
January	39,388	29,998	69,386
February	.....	.....	.....
March	.....	.....	.....
April	.....	.....	.....
May	66,056	.....	66,056
June	70,327	38,910	109,237
July	69,981	50,109	120,090
August	73,984	46,122	120,106
September	77,767	44,765	122,532
October	83,608	45,726	129,334
November	73,356	46,849	120,205
December	87,751	49,151	136,902
Total	642,218	351,630	993,848

Comparative Statistics of Rubber Sales and Revenue Expenditure for the Years 1938 and 1939

Rubber Sales and Rubber in Stock 1938

Kwala Goenoeng:

Sale of 1938 Crop and 1937 Rubber in Stock	586,983 lb	@ 15.1366¢	$ 88,849.58
1938 Stock on hand	154,072 lb	@ 5.82¢	8,966.99
Total Revenue and Inventory Value	741,055 lb	@ 13.2¢	$ 97,816.57

Pantai Boeaja:

Sale of 1938 Crop and 1937 Rubber in Stock	328,579 lb	@ 13.805¢	$ 45,360.88
1938 Stock on hand	130,756 lb	@ 7.66¢	10,015.91
Total Revenue and Inventory Value	459,335 lb	@ 12.056¢	$ 55,376.79

Rubber Sales and Rubber in Stock 1939

Kwala Goenoeng:

Sale of 1939 Crop and 1938 Rubber in Stock	715,275 lb	@ 16.007¢	$114,498.96
1939 Stock on hand	81,015 lb	@ 5.01¢	4,062.45
Total Revenue and Inventory Value	796,290 lb	@ 14.889¢	$118,561.41

Pantai Boeaja:

Sale of 1939 Crop and 1938 Rubber in Stock	357,745 lb	@ 15.93¢	$ 56,992.10
1939 Stock on hand	105,699 lb	@ 7.03¢	7,430.64
Total Revenue and Inventory Value	463,444 lb	@ 13.90¢	$ 64,422.74

Revenue Expenditure 1938

	Kwala Goenoeng 654,741 lb	Cents per lb	Pantai Boeaja 374,793 lb	Cents per lb	Total 1,029,534 lb	Cents per lb
Revenue Expenditure	$43,269.23	6.6086	$31,733.39	8.467	$ 75,002.62	7.285
Depreciation	4,168.11	0.6361	536.96	0.143	4,705.07	0.457
Amortization	12,487.89	1.9073	12,179.54	3.249	24,667.43	2.396
Taxes					4,967.95	0.482
	$59,925.23	9.152	$44,449.89	11.859	$109,343.07	10.620

Revenue Expenditure 1939

	Kwala Goenoeng 642,218 lb	Cents per lb	Pantai Boeaja 351,630 lb	Cents per lb	Total 993,848 lb	Cents per lb
Revenue Expenditure	$36,903.50	5.7463	$28,760.84	8.1793	$ 65,664.34	6.6071
Depreciation	4,377.82	0.6816	345.13	0.0981	4,722.95	0.4752
Amortization	13,693.13	2.1321	12,251.94	3.4843	25,945.07	2.6105
Taxes					13,440.88	1.3524
	$54,974.45	8.5600	$41,357.91	11.7617	$109,773.24	11.0452

Respectfully submitted,

W. A. WHITE, *Treasurer.*

Honolulu, Hawaii.
April 1, 1940.

Hawaiian Sumatra Plantations, Limited

KWALA GOENOENG ESTATE

STAFF

Manager.....G. L. Christensen
Assistant .....J. Regter
Office Clerks.....1st, Abdul Firman; 2nd, Djammal

ACREAGE STATEMENT

Years of Plantings	No. of Acres	Approx. No. of Trees	No. of Trees Budgrafted
1916	97.01	4,938	
1917	893.56	78,596	
1918	272.75	17,770	
1919	43.52		
1925	237.59	26,314	80
1926	301.22	35,719	
1927	43.24	4,575	
1928	49.91	7,012	612
1929	.....	5,094	Interplanting
1930	210.78	30,038	30,038
1931	211.15	31,513	31,513
1932	78.03	12,374	Seeds of AVROS clones mixed
1934	26.02	3,452	Seeds of AVROS clones mixed
1936	31.33	4,363	307 and mixed clonal seeds
1937	111.44	21,507	Seeds of AVROS clones mixed
1939	280.74	41,156	Clonal Seeds 185, 49, 163, 152, Tjirandji 1, B. Datar 5
Total Area Planted .	2,888.29	324,421	62,550
Roads	2		
Building Sites	8		
In course of new planting	77.26		
Reserve Land and Swamp	2,644.45		
Total Area of Concession	5,620	324,421	62,550

The following is a record of budgrafted trees to date:
Planting 1925—80 trees, AVROS clone 36.
Planting 1928—612 trees, AVROS clones 80, 152, 163.
Planting 1930—11,500 trees, AVROS clones 49, 50, 71, 152, 183, 195, 214 and 256 as monoclones.
Planting 1930–31—17,549 trees, Java clones B.D. 5, Tjir. 1 and 16 as monoclones, interplanted with AVROS 185 and 214.
Planting 1931—32,502 trees, AVROS clones 49, 50, 71, 214, 222, 256 and 352, Straits clones P.B. 186, Sebrang 24, Glenshiel 1 and Java clone Tjir. 1.
Planting 1936—307 trees, Prang Besar 186 and Sebrang 24.
Total—62,550 trees.

Specification of Planted Area

1,306.84	Acres	Old Rubber.
661.29	"	Planted with selected Kwala Goenoeng Seeds.
421.93	"	Budgrafted trees.
78.03	"	Seeds from AVROS clones mixed.
26.02	"	Seeds from AVROS clones Nos. 274, 278, 282, 294 and 33.
2	"	Budgrafted trees.
111.44	"	Seeds from AVROS clones Nos. 185, 163, 284, 282, 49, 274 and Java clones B.D. 5 and Tjir. 1 mixed
280.74	"	Seeds from AVROS clones Nos. 185, 49, 152, 163 and Java clones B.D. 5, Tjir. 1.
2,888.29	Acres	Total.

Rubber Trees Statement

Approximate number of trees, December 31, 1939.....		324,421
Number of trees in tapping, December 31, 1939..	152,279	
Number of trees resting, December 31, 1939.....	24,480	
Number of trees resting (poor yielders), December 31, 1939	20,047	196,806
Approximate number of trees not yet in tapping.....		127,615

No serious storm damage was recorded during the year, and trees affected by root disease were removed on routine rounds of inspection.

WEATHER

The weather conditions for collecting the Crop were favorable during the year.

The first three months of the year were very hot and dry. The rainfall during the months April–August was much less than previous year.

RAINFALL

Month	Days	Inches
January	5	2.80
February	3	1.22
March	7	4.57
April	11	9.49
May	6	4.02
June	4	4.72
July	5	3.35
August	4	2.91
September	10	8.15
October	10	8.50
November	9	10.39
December	8	4.88
Total	82	65

TAPPING AND CROP OF RUBBER

The Crop harvested during the year amounted to 642,218℔, against the estimated 650,000℔.

The Stock of Rubber at the end of the year was 81,015℔, which has been carried over to 1940.

Owing to the reduced exportable quotas and the big Stock of Rubber, tapping was stopped for three months during the wintering period February–April.

Tapping was carried out on the different divisions as follows:

January: Blimbing and Poeloe Besar divisions.

February–April: No tapping (all divisions resting).

May–July: Blimbing, Poeloe Besar, Tandjong Boenga and Kwala Goenoeng divisions.

August–December: Blimbing, Poeloe Besar, Tandjong Boenga, Kwala Goenoeng and Soengei Djintan divisions.

When tapping was recommenced, after the three months rest, the tapping system was changed, alternate six weeks daily, to alternate daily; this system is, without doubt, much better than the old one.

Tapping has been continued on the old area with a V cut and on the young area with a single left half-spiral cut.

The average yield per tapper for the year (9 months) was 4,253.10 pounds against 5,366.73 pounds for the previous year (12 months), and per tapper per day as follows:

January	17.21lb
February, March, April	No tapping
May	18.28
June	18.35
July	17.63
August	16.83
September	16.95
October	16.66
November	15.95
December	16.45

The average yield per acre per annum was 633.82 pounds, and per tree 6.76 pounds, against 581.50 pounds per acre and 5.88 pounds per tree for the previous year.

Test-Tapping

Yield records of budded trees test-tapped on Blimbing Division during June–November 1939 (tapping system, alternate-day on half circumference, single left hand cut):

TEST-TAPPING

Clones	Number of Trees	AVERAGE PER TREE PER DAY— June-July	Aug.-Sept.	Oct.-Nov.	Over 6 months
		Gram	Gram	Gram	Gram
B.D. 5	30	28.0	22.1	31.8	27.3
Sebrang 24 .	30	7.6	7.3	11.4	8.8
P. Besar 186.	30	11.8	10.8	17.4	13.3
Tjir. 1	30	24.3	19.2	33.7	25.7
Tjir. 16	30	18.0	17.0	21.5	18.8
Glenshield 1 .	30	15.1	14.6	18.5	16.1
AVROS 256.	30	9.5	6.2	9.4	8.4
AVROS 222.	30	6.9	5.4	8.2	6.8
AVROS 352.	30	9.8	8.8	15.6	11.4
AVROS 152.	30	12.0	7.4	15.4	11.6
AVROS 71.	30	18.2	12.3	19.7	16.7
AVROS 50.	30	8.2	8.5	16.0	10.9
AVROS 49.	30	20.6	18.6	24.2	21.1
AVROS 185.	30	37.0	23.7	34.3	31.7
AVROS 214.	30	11.5	7.5	11.2	10.1
AVROS 183.	30	19.5	19.9	26.8	22.1

STATEMENT OF THE YIELD ON THE DIFFERENT DIVISIONS

	Blimbing		Kwala Goenoeng		T. Boenga		S. Djintan		P. Besar	
	Acres in tapping	Pounds	Acres in tapping	Pounds	Acres in tapping	Pounds	Acres in tapping	Pounds	Acres in tapping	Pounds
January	277	16,173	...	.....	...	.....	...	.....	498	23,215
February, March, April	No tapping									
May	277	19,924	80	3,693	268	18,276	...	.....	498	24,163
June	277	18,308	160	8,619	268	21,558	...	.....	498	21,842
July	277	18,577	160	9,711	268	19,558	...	.....	498	22,135
August	277	17,669	254	12,498	268	18,044	123	4,633	498	21,140
September	277	17,559	254	12,152	268	18,311	207	8,144	498	21,601
October	277	17,372	254	12,606	268	19,246	346	12,837	498	21,547
November	277	15,023	254	11,306	268	16,861	346	12,177	498	17,989
December	277	17,722	254	13,074	268	20,078	346	15,536	498	21,341
Total	277	158,327	209	83,659	268	151,932	274	53,327	498	194,973
Avg. per acre		572		400		567		195		392

ANNUAL YIELD PER ACRE

Year	Yield per acre in lb	
1921	179.98	
1922	195.36	
1923	214.47	
1924	366.66	
1925	479.93	
1926	560.45	
1927	562.80	
1928	580.85	
1929	595.40	
1930	538.19	
1931	589.13	
1932	670.99	
1933	607.99	
1934	456.51	From the first of June Restriction
1935	299.39	63.4463% of the Standard Production Assessment
1936	299.40	59.467% of the Standard Production Assessment
1937	429.33	77.8726% of the Standard Production Assessment
1938	581.50	49.357% of the Standard Production Assessment
1939	633.82	55.481% of the Standard Production Assessment

TABLE OF CROP

Month	Crop lb	No. of Trees in Tapping and Resting	No. of Acres in Tapping
January	39,388	69,767	775
February, March, April	No Tapping		
May	66,056	110,434	1,123
June	70,327	117,008	1,203
July	69,981	117,000	1,203
August	73,984	132,718	1,420
September	77,767	137,755	1,504
October	83,608	151,748	1,643
November	73,356	151,715	1,643
December	87,751	152,279	1,643
Total	642,218	*Average 126,714	*Average 1,351

* Per month.

The Crop harvested during the year was sold as Sheet, Crepe and Off-Grades to local buyers at Medan, delivered at Tandjong Tiram Port.

The average price for all grades was 29.83 Guilder Cents per pound f.o.r. Belawan, compared with 27.12 Guilder Cents per pound for the previous year.

The cost price per pound on the Estate was 9.25 Guilder Cents f.o.r. Belawan, compared with 10.60 Guilder Cents for the previous year.

TABLE OF SALES

Month	Crop lb	Sold lb	Guilders	Dollars á Gls. 1.87
January	39,388	47,720	12,599.92	6,737.93
February	No Tapping	50,545	13,660.12	7,304.88
March		44,098	12,430.70	6,647.43
April		42,560	11,610.52	6,208.83
May	66,056	11,200	3,090.16	1,652.49
June	70,327	82,100	23,400.91	12,513.85
July	69,981	78,590	22,678.67	12,127.63
August	73,984	66,225	19,405.72	10,377.39
September	77,767	61,550	19,362.60	10,354.33
October	83,608	56,000	16,467.47	8,806.13
November	73,356	78,400	27,144.47	14,515.76
December	87,751	96,287	31,521.65	16,856.50
Total	642,218	715,275	213,372.91	114,103.15

STATEMENT OF COST PER ACRE PER ANNUM
(Excluding Capital Expenditure)

	Per Acre Gls.
Upkeep Immature Area—783 Acres	13.41
Upkeep Mature Area—2,105 Acres	1.66
Tapping (basis area tapped)	8.81
Manufacturing and Distribution (basis area tapped)	21.70
General Charges on Total Area	12.39
Total Expenditure	40.45

RUBBER RESTRICTION

The Standard Production Assessment for the year 1939 was 1,289,254 pounds, and the exportable allowance 715,291 pounds, being 55.481% of the Standard Production Assessment.

The exportable allowance for the first quarter of 1940 has been fixed at 252,722 pounds, being 18.6% of the 1940 Provisional Standard Production Assessment of 1,358,721 pounds.

The Crop for 1940 has been estimated at 1,100,000 pounds, being 80% of the Standard Production Assessment.

REPLANTINGS

No replanting was carried out this year.

NEW CLEARINGS (EXTENSIONS)

In progress a total of 358 acres. Over this area, felling of the jungle has been completed. Of these 358 acres, 123.84 acres were felled before January, 1939, and the remaining 234.16 acres dealt with during the year.

100 acres in Kwala Goenoeng Division Blocks N, O and P were planted up in January with basket seedlings of the following clones, 185, 49, B.D.5 and Tjir. 1; these 100 acres will be left unbudded.

23.84 acres in Kwala Goenoeng Division Blocks P, Q were planted up in April with AVROS 152 seedlings in baskets and will be left unbudded.

106.90 acres in Soengei Djintan Division, behind the factory, were planted up during the year, *viz,* 46 acres in August, 4 acres in October and 56.90 acres in December. The planting material used on these 106.90 acres has been as follows:

30 acres with clonal seedlings in baskets of the following clones: Tjir. 1, AVROS 185 and 49, planted in monoclones. These 30 acres will be left unbudded.

76.90 acres with clonal seedlings in baskets, mixed, which will be budded in the field during 1940.

50 acres in Kwala Goenoeng Division were planted up in December with basket seedlings of the following clones: AVROS 185, 163, 49, Tjirandji 1 and a few Bodjong Datar 5. These 50 acres will be left unbudded.

The total area planted up this year was 280.74 acres, leaving 77.26 acres to be planted next year.

These 77.26 acres are composed of two portions, *viz,* 38.96 acres in Kwala Goenoeng and 38.30 acres in Tandjong Boenga Division, of which 49 acres have been Changcolled, 38.96 acres in Kwala Goenoeng and 10 acres in Tandjong Boenga Division.

NEW PLANTING 1939

(100 Acres Kwala Goenoeng Division Blocks N, O, P Planted in January)

The average cost per acre for these 100 acres was as follows:

	Total Cost Gls.	Cost per Acre Gls.
Felling	578.43	5.78
Clearing	2,765.92	27.66
Changcolling and Forking out Lalang	2,536.09	25.36
Weeding before Planting	513.08	5.13
Lining, Holing and Planting	612.36	6.12
Seeds, Nurseries and Baskets	345.43	3.46
Removing Stumps	559.91	5.60
Total	7,911.22	79.11
In Compensation for Fruit Trees	427.75	....
Total General	8,338.97	79.11

PESTS AND DISEASES

Pests and diseases were the same as the previous year; occasional plants have been damaged by monkeys, but a monkey guard has now been employed.

All trees in tapping have been treated with a 3% Izal solution on the tapping surface, to prevent Mouldy rot and Black Stripe canker.

YOUNG AREAS

The 1930, 1931 and 1932 plantings in Blimbing Division, which were manured at the beginning of this year, are looking very well, and the growth of the trees has definitely benefited from this treatment.

The young areas 1925–1932 and the replantings 1934, 1936 and 1937 are all covered with Pueraria Javanica Ground Cover and are free from sporadic lalang and other undesirable weeds.

The 124 acres planted January–April, 1939, are looking very well; Pueraria Javanica Ground Cover has been planted over the whole area, and is making good progress.

COST OF WEEDING

MONTH	IMMATURE			MATURE		
	Acres	Cost Gls.	Cost per Acre	Acres	Cost Gls.	Cost per Acre
January	603	177.34	0.29	2,105	83.36	0.04
February	603	264.65	0.44	2,105	350.67	0.17
March	603	248.89	0.41	2,105	228.26	0.11
April	627	240.37	0.38	2,105	232.80	0.11
May	627	279.62	0.45	2,105	203.58	0.10
June	627	345.07	0.55	2,105	169.29	0.08
July	627	333.42	0.53	2,105	261.28	0.13
August	673	256.83	0.38	2,105	239.79	0.11
September	673	197.33	0.29	2,105	217.77	0.10
October	677	316.69	0.47	2,105	214.90	0.10
November	677	383.16	0.57	2,105	91.38	0.04
December	783	510.85	0.65	2,105	174.63	0.08

FACTORY AND BUILDINGS

All buildings are in good condition, except the manager's bungalow and the first clerk's quarters; these were built in 1918, and are to be replaced in the near future.

ROADS AND BRIDGES

All roads and bridges on the Estate are in good order; one new road 2,300 feet long was made through the new planting in Kwala Goenoeng division.

LABOR FORCE

Month	Men	Women	Total
January	222	68	290
February	220	66	286
March	217	65	282
April	217	67	284
May	222	79	301
June	241	96	337
July	242	96	338
August	245	95	340
September	247	99	346
October	247	104	351
November	249	107	356
December	241	106	347

Total labor force at December 31, 1938—290.
Total labor force at December 31, 1939—347.

The labor on the Estate remained as free labor.

During the year 40 new coolies were recruited from Java, and 62 locally.

The health of the staff and coolies has been good.

GENERAL

The Estate was visited twice by our visiting agent, Mr. H. C. Pinching, and periodically by our Medan agents.

The Estate is in excellent order in all respects.

Respectfully submitted,

HAWAIIAN SUMATRA PLANTATIONS, LTD.
KWALA GOENOENG ESTATE

G. CHRISTENSEN, *Manager.*

Pantai Boeaja Estate

MANAGER'S ANNUAL REPORT FOR THE YEAR 1939

STAFF

Manager: A. C. VAN ROSSUM

TREES AND ACREAGE STATEMENT

Approx. No. Acres of Rubber	Date of Planting	No. of Acres		Approx. No. Trees
Mature—				
1,284	1917	87.69		5,121
	1918	134.74		10,821
	1919	200.15		16,100
	1920	257.00		26,170
	1921	256.00		25,513
	1923	24.71		4,000
	1924	39.54		5,854
	1925	84.02		13,551
	1926	64.25		9,452
	1929	79.07	(mixed with budgrafted trees and selected seeds)	11,309
	1930	51.89	(budgrafted trees— AVROS Clones)	6,981
	1931	4.94	(budgrafted trees— AVROS Clones)	993
1,284		1,284.00	Total Mature Area	135,865
Immature—				
126.4	1939	126.4		21,488
Total Acres—				
1,410.4		1,410.4	Total Trees	157,353

	Acres
Total Planted (Old Area)	1,284.0
New Land opened and planted during 1939	126.4
Total Planted	1,410.4
Roads	9.0
Buildings	10.0
Burial Place and Swamp	17.0
River	6.0
Reserve Land	5,335.6
	6,788

NEW CLEARINGS (EXTENSIONS)

During the year 126.4 acres of new land were planted, of which 35 acres had been opened, cleared and prepared for planting by the end of 1938. These new areas were contour terraced, and planted with selected seeds from AVROS clones at 180 trees to the acre. Of this area approximately 91 acres will be budded, commencing early 1940.

The total area of 126.4 acres is planted with a mixed leguminous cover of Pueraria Javanica, Centrosema Pubescens and Calipagonium Mucanoidin.

The total cost of planting this new area was as follows:

Cost of opening and new planting (126.4 acres) including cover crop	Gl. 6,969.32
Cost of purchase of 66.2 acres new planting rights, *i.e.*, 126.4 acres less 60.2 acres rights allotted to the Company	2,749.55
	Gl. 9,718.87

Or a cost per acre of Gl. 76.89.

THINNING OUT

During the year 321 trees were lost, on account of White Ants, Fomes and other diseases, and a considerable number of bad yielders were thinned out.

After recounting the trees of the entire Estate, the total number is 157,353 inclusive of the new planted area 1939.

RUBBER TREE STATEMENT

Approximate number of trees at December 31, 1939		157,353
Number of trees in tapping at December 31, 1939	99,465	
Resting	36,400	135,865
Approximate number of trees not yet in tapping		21,488

WEATHER

Weather conditions generally during the past year were favorable.

Rains interfered with tapping on a number of occasions, and in December, 1939, the whole east coast of Sumatra experienced severe floods, these, however, quickly subsiding.

RAINFALL

	No. of Days	Inches
January	9	4.2
February	9	4.5
March	9	5.9
April	12	7.9
May	12	9.4
June	10	6.6
July	2	1.3
August	11	8.2
September	11	11.6
October	17	17.5
November	13	19.0
December	15	23.8
Total	130	119.9

TAPPING AND COLLECTING

The crop of rubber harvested for the year amounted to 351,630 pounds, as compared with 374,793 pounds for the previous year.

Exports of rubber for the year were curtailed in accordance with the Exportable Quota for each quarter, as allotted to the Estate under Rubber Restriction Regulations.

The Standard Production Assessment for the year 1939 was fixed at 644,786 pounds.

The export quota for the year amounted to 55.481% of the Standard Production Assessment, *i.e.*, 357,734 pounds, as compared with 307,236 pounds for the previous year.

The stock of rubber on hand at December 31, 1939, amounted to 110,309 pounds.

In order to keep the crop in accordance with the Rubber Restriction Regulations, the number of tappers had to be increased from 81 to 132, whilst Section H and the planting 1930 were taken into tapping.

TABLE OF CROP

The production for the year was as follows:

January	29,998lb
February (no tapping on account of Restriction)	.....
March (no tapping on account of Restriction)	.....
April (no tapping on account of Restriction)	.....
May (no tapping on account of Restriction)	.....
June	38,910
July	50,109
August	46,122
September	44,765
October	45,726
November	46,849
December	49,151
Total	351,630lb

The crop harvested during the year was sold as Sheet and Off-Grades to local buyers.

The amount realized for sale of 357,745 pounds of rubber was Gl. 106.148.16.

The average price for the year of all grades was therefore 29.67 guilder cents per pound, as against 26.64 guilder cents per pound for the previous year.

TABLE SHOWING YEARLY INCREASE OF YIELD

Year	Crop in lb		
1928	258.951		
1929	291,132		
1930	329,605		
1931	459,168		
1932	537,250		
1933	534,720		
1934	508,260	From June 1st Restriction in force.	
1935	336,857	Restriction 63.4463%	Exportable Quota
1936	305,773	Restriction 59.467%	
1937	514,402	Restriction 77.8726%	
1938	374,793	Restriction 49.357%	
1939	351,630	Restriction 55.481%	

TABLE OF SALES

Month	Quantity in lb	Guilders
January	22,400	5,964.42
February	26,100	7,107.73
March	29,120	8,240.80
April	22,955	6,263.78
May	28,000	7,769.11
June	22,400	6,403.32
July	31,165	9,008.55
August	33,600	9,832.48
September	26,880	8,536.56
October	44,800	13,173.50
November	35,840	12,408.24
December	34,485	11,439.67
Total	357,745	Gl. 106,148.16

LABOR FORCE

Month	Men	Women	Total
January	154	83	237
February	148	83	231
March	151	79	230
April	150	77	227
May	155	75	230
June	153	81	234
July	162	82	244
August	161	84	245
September	165	89	254
October	165	89	254
November	165	90	255
December	165	90	255

Total labor force on the Estate December 31, 1939—165 men, 90 women.

Total labor force on the Estate December 31, 1938—150 men, 77 women.

Written off during the year—7.

The laborers on the Estate remained as free laborers. During the year 69 new coolies were engaged locally and 34 discharged. The health of the coolies was favorable during the past year.

WEEDING AND CHANGKOLLING

All areas are in good condition, free from lalang and rough growths, and about two-thirds of the Estate has been planted with a ground cover of Pueraria Javanica.

Light changkolling was continued during the past year and an application of Cheribon Phosphate manure has been carried out in order to stimulate the growth of the ground cover.

TERRACING

In the old area, Blocks 8 and 9 K.L., catchpits were deepened, and the terraces were improved and planted with ground cover. This area was also manured with Cheribon Phosphate.

PESTS AND DISEASES

During the past year slight damage only was caused by White Ants and root diseases.

In the immature area, part planting 1939, some small damage was caused by monkeys and deer.

Pests and diseases generally were kept under good control throughout the year.

ROADS AND BRIDGES

All roads and bridges are in good order.

REPAIRS AND RENEWALS TO BUNGALOWS

The assistant's bungalow in Block 8 was demolished during the year, and the salvaged materials were used for making new servant's quarters for the manager's bungalow.

Necessary repairs and the re-attapping of the roof of the manager's bungalow were effected during the year.

FACTORY AND BUILDINGS

The factory and smokehouses are in a good state of repair.

COOLIE LINES, REPAIRS AND GENERAL UPKEEP

All necessary repairs were carried out to these buildings, and they are in a good state of upkeep.

GROUND COVER

Planting ground cover of Pueraria Javanica, particularly in the old area, was continued throughout the Estate, and in the near future the entire Estate will be planted with this cover.

If labor is available, a light changkolling will be carried out gradually all over the Estate during the year, to further stimulate the growth of the cover.

ESTIMATES

The Standard Production Assessment under Restriction for 1940 has been provisionally fixed at 658,152 pounds.

The release for the first quarter of 1940 was fixed at 80%, and for the purpose of the accounts the 1940 crop has been estimated on the same basis, *viz.*, 527,000 pounds.

GENERAL

The entire Estate is in good condition and free from lalang and other growths.

Mr. H. C. Pinching, the visiting agent, visited the Estate twice during the year, and periodical visits were made by the Medan agents.

Respectfully submitted,

HAWAIIAN SUMATRA PLANTATIONS, LTD.
PANTAI BOEAJA ESTATE

A. C. VAN ROSSUM, *Manager.*

Hawaiian Sumatra Plantations, Limited

TREASURER'S REPORT

To the Stockholders,
Hawaiian Sumatra Plantations, Ltd.

GENTLEMEN:

I herewith submit the following statements, taken from the books of your Company at December 31, 1939, together with the certificates of the Auditors:

Exhibit "A"—Condensed Balance Sheets, December 31, 1938, and December 31, 1939.

Exhibit "B"—Balance Sheet, December 31, 1939.

Exhibit "C"—Condensed Statement of Income and Profit and Loss, for the twelve months ended December 31, 1939.

Exhibit "D"—Kwala Goenoeng Estate, Statement of Income and Profit and Loss, for the twelve months ended December 31, 1939.

Exhibit "E"—Pantai Boeaja Estate, Statement of Income and Profit and Loss, for the twelve months ended December 31, 1939.

Schedule "A"—Segregation of General Expense, Kwala Goenoeng and Pantai Boeaja Estates.

Respectfully submitted,

W. A. WHITE,
Treasurer.

Honolulu, T. H.
April 1, 1940.

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "A"

CONDENSED BALANCE SHEETS DECEMBER 31, 1938, AND DECEMBER 31, 1939

ASSETS

	December 31 1938	1939
Cash on hand, in Banks and with Agents	$ 96,993.27	$122,080.35
Accounts, Deposits and Advances Receivable	2,596.38	3,372.31
Inventories	23,154.28	15,405.22
Concessions—Less Reserve for Amortization	261,121.00	256,268.10
Kwala Goenoeng Estate—Less Depreciation	284,115.19	299,495.82
Pantai Boeaja Estate—Less Depreciation	150,267.52	152,620.63
Other Assets	27,622.74	2,022.81
	$845,870.38	$851,265.24

LIABILITIES

	December 31 1938	1939
Accounts Payable	$ 954.34	$ 3,623.42
Accrued Charges	8,762.87	7,650.97
Reserve Staff Commission and Taxes	35,564.27	20,504.05
Common Stock Outstanding	620,000.00	620,000.00
Capital Surplus	197,776.23	197,776.23
Surplus	17,187.33	1,710.57
	$845,870.38	$851,265.24

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "B"

BALANCE SHEET

DECEMBER 31, 1939

ASSETS

Current Assets:			
Cash		$122,080.35	
Cash in Bank, Kwala Goenoeng	$ 1,961.53		
Cash in Bank, Pantai Boeaja	1,024.12		
Chartered Bank, Medan	2,205.62		
Bishop Trust Co., Ltd., Agent's Balance	46,889.08		
Bishop National Bank of Hawaii—			
Certificate of Deposit	70,000.00		
Accounts Receivable:		133.94	
Sundry Debtors—Pantai Boeaja	$ 133.94		
Advances		3,056.30	
Kwala Goenoeng—Staff	$ 22.77		
Kwala Goenoeng—Coolies	1,275.13		
Pantai Boeaja—Staff	822.73		
Pantai Boeaja—Coolies	935.67		
Deposits		182.07	
Kwala Goenoeng	$ 167.50		
Pantai Boeaja	14.57		
Inventories		15,405.22	
Kwala Goenoeng:			
Rubber on hand	$ 4,062.45		
Rice on hand	477.16		
Stocks in Stores	2,097.76		
Pantai Boeaja:			
Rubber on hand	7,430.64		
Rice on hand	469.07		
Material in Stores	868.14		
TOTAL CURRENT ASSETS			$140,857.88
Fixed Assets:			
Concessions:			
Kwala Goenoeng Estate	$120,000.00		
Less: Reserve for Depreciation	26,811.70	$ 93,188.30	
Pantai Boeaja Estate	$210,000.00		
Less: Reserve for Depreciation	46,920.20	163,079.80	256,268.10
Carried Forward			$397,125.98

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "B" (Continued)

BALANCE SHEET
DECEMBER 31, 1939

Brought Forward			$397,125.98
Kwala Goenoeng Estate:			
Development	$409,180.81		
Less: Reserve for Depreciation	127,042.83	$282,137.98	
Other Fixed Assets (Depreciated Value):			
Buildings	$ 1,900.29		
Poeloeh Hospital	2,400.00		
Tools and Implements	114.05		
Motor Vehicles	1.60		
Factory and Stores	8,754.85		
Furniture	5.20		
Plant and Machinery	3,548.44		
Tractors and Plows	2.00		
Wells and Water Supply	631.41	17,357.84	299,495.82
Pantai Boeaja Estate:			
Development	$251,309.50		
Less: Reserve for Depreciation	99,000.07	152,309.43	
Other Fixed Assets (Depreciated Value):			
Buildings	$ 47.40		
Tools and Implements	.40		
Motor Vehicles	.40		
Factory and Stores	.40		
Furniture	5.20		
Plant and Machinery	257.00		
Wells and Water Supply	.40	311.20	152,620.63
Deferred Charges:			
Kwala Goenoeng:			
Rubber License 1940	$ 43.14		
Telephone Subscription	17.63		
Recruiting Suspense	1,075.56		
Suspense—Travelling	487.88		
Pantai Boeaja:			
Export License 1940	20.90		
Telephone Subscription	22.87		
Recruiting Suspense	188.17		
Sundries:			
Accrued Interest	166.66		2,022.81
TOTAL ASSETS			$851,265.24
LIABILITIES			
Current Liabilities:			
Accounts Payable:			
Kwala Goenoeng	$ 1,224.05		
Pantai Boeaja	558.48		
Sundry Creditors	1,840.89	$ 3,623.42	
Accrued Charges:			
Kwala Goenoeng	$ 4,562.56		
Pantai Boeaja	3,088.41		
Staff Commission 1939	3,697.03		
Income Tax 1938 and 1939	16,807.02	28,155.02	
TOTAL CURRENT LIABILITIES			$ 31,778.44
Net Worth:			
Capital Stock—Common (62,000 shares @ par value $10.00 each)		$620,000.00	
Capital Surplus		197,776.23	
Operating Surplus		1,710.57	$819,486.80
TOTAL LIABILITIES			$851,265.24

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "C"

CONDENSED STATEMENT OF INCOME AND PROFIT AND LOSS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1939

Revenue:		
Kwala Goenoeng Estate (Exhibit D)	$114,787.63	
Pantai Boeaja Estate (Exhibit E)	56,992.10	
TOTAL REVENUE		$171,779.73
Expense:		
Kwala Goenoeng Estate (Exhibit D)	$ 61,770.93	
Pantai Boeaja Estate (Exhibit E)	47,489.09	
TOTAL EXPENSE		109,260.02
NET PROFIT FROM OPERATIONS		$ 62,519.71
Other Income:		
Interest		511.11
TOTAL INCOME		$ 63,030.82
Other Expense:		
Difference in Exchange	$ 472.18	
Estimated Income Tax	13,440.88	13,913.06
NET PROFIT FOR THE YEAR		$ 49,117.76

SURPLUS ACCOUNT

Net Gain for Year as above	$ 49,117.76	
Less:		
Deficit December 31, 1938	17,187.33	$ 31,930.43
Add:		
Settlement of 1936 Rubber Sales	$ 746.78	
Staff Commission 1938 over-estimated	138.66	
Over-assessment 1937 Federal Income Tax	68.50	
	$ 953.94	
Deduct:		
Cost of Tax Appeal 1925	173.80	780.14
		$ 32,710.57
Less:		
Dividends Paid		31,000.00
BALANCE December 31, 1939		$ 1,710.57

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "D"

STATEMENT OF INCOME AND PROFIT AND LOSS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1939

KWALA GOENOENG ESTATE

Revenue:			
Rubber Sales		$114,498.96	
Sundry Receipts		288.67	
TOTAL REVENUE			$114,787.63
Expense:			
Rubber in Bearing	$ 1,876.59		
Collection and Manufacture	9,039.02		
Packing and Transport	2,891.32		
Export Duty and Selling Expense	7,562.27		
Upkeep Buildings and Machinery	975.06		
General Charges—Estate	9,563.69		
General Charges—Honolulu	3,411.10		
Staff Commission	1,584.45	$ 36,903.50	
Depreciation:			
Buildings	$ 1,105.72		
Tools and Implements	30.67		
Motor Vehicles	11.40		
Factory and Stores	1,754.20		
Plant and Machinery	1,121.69		
Tractors and Plows	85.39		
Wells and Water Supply	268.75	4,377.82	
Amortization:			
Development Expense	$ 11,928.43		
Concessions	1,764.70	13,693.13	
Land Rent on Unplanted Area		1,891.94	
TOTAL EXPENSE		$ 56,866.39	
Add: Decrease in Inventory:			
Inventory January 1, 1939	$ 8,966.99		
Inventory December 31, 1939	4,062.45	4,904.54	
TOTAL COSTS			$ 61,770.93
NET PROFIT FROM OPERATIONS			$ 53,016.70

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "E"

STATEMENT OF INCOME AND PROFIT AND LOSS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1939

PANTAI BOEAJA ESTATE

Revenue:			
Rubber Sales		$ 56,992.10	
TOTAL REVENUE			$ 56,992.10
Expense:			
Rubber in Bearing	$ 4,272.20		
Collection and Manufacture	4,531.09		
Packing and Transport	1,717.03		
Export Duty and Selling Expense	3,771.71		
Upkeep Buildings and Machinery	478.87		
General Charges—Estate	9,799.30		
General Charges—Honolulu	2,078.06		
Staff Commission	2,112.58	$ 28,760.84	
Depreciation:			
Buildings	$ 301.49		
Furniture	1.20		
Plant and Machinery	42.44	345.13	
Amortization:			
Development Expense	$ 9,163.74		
Concessions	3,088.20	12,251.94	
Land Rent on Unplanted Area		3,545.91	
TOTAL EXPENSE		$ 44,903.82	
Add: Decrease in Inventory:			
Inventory January 1, 1939	$ 10,015.91		
Inventory December 31, 1939	7,430.64	2,585.27	
TOTAL COSTS			$ 47,489.09
NET PROFIT FROM OPERATIONS			$ 9,503.01

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

SCHEDULE "A"

GENERAL EXPENSES OF ESTATES
TO DECEMBER 31, 1939

KWALA GOENOENG ESTATE

Salaries and Allowances		$ 6,893.42	
Wages of Clerks		1,125.68	
Motor Vehicles, Upkeep and Allowance		1,391.02	
Rent, Rates and Taxes		1,879.98	
Recruiting and Re-engagement Expense		810.36	
Watchmen		48.44	
Advances Lost		64.57	
Hospital and Medicines		1,287.19	
Stationery, Printing and Office Expense		150.48	
Telegrams, Postage and Telephone		412.18	
Fire Insurance on General Buildings		122.11	
Labor Force Expenditure		799.96	
Sundry Charges		334.37	
Sundry Buildings, Repairs and General Upkeep		203.92	
Travelling Expense		34.90	
Tools and Sundry Stores		198.56	
Repairs and Renewals to Bungalows		147.65	
Loss on Rice and Coolie Foods		49.94	
General Transport		243.49	
Wells and Water Supply Upkeep		223.25	
Agency Fee and Audit Expense		2,703.40	
Surveying		82.34	
SUB TOTAL		$ 19,207.21	
Honolulu Charges:			
Fees, Agency, Legal and Miscellaneous	$4,554.86		
Office Expense	220.93	4,775.79	
SUB TOTAL		$ 23,983.00	
Capital Stock Tax and Interest		1,032.76	
TOTAL EXPENSE TO BE DISTRIBUTED		$ 25,015.76	
Distributed as follows:			
Rubber Capital Expenditure (50.206% of $23,983.00)			$ 12,040.97
Rubber Revenue Expenditure:			
Estate Expenditure (49.79% of $19,207.21)		$ 9,563.69	
Honolulu Expenditure (49.8% of $4,775.79 plus $1,032.76)		3,411.10	12,974.79
TOTAL AS ABOVE			$ 25,015.76

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

SCHEDULE "A"

GENERAL EXPENSES OF ESTATES

TO DECEMBER 31, 1939

PANTAI BOEAJA ESTATE

Salaries and Allowances		$ 4,703.42	
Wages of Clerks, Head Mandoers, etc.		896.65	
Motor Vehicles, Upkeep and Allowance		966.45	
Rent, Rates and Taxes		1,008.35	
Recruiting and Re-engagement Expense		785.58	
Watchmen		80.19	
Hospital and Medicines		1,271.71	
Stationery, Printing and Office Expense		103.98	
Telegrams, Postage and Telephone		553.95	
Fire Insurance on General Buildings, etc.		39.92	
Labor Force Expenditure		548.43	
Sundry Charges		503.89	
Coolie Lines—Repairs and General Upkeep		424.11	
Travelling Expense		17.18	
Tools and Sundry Stores		56.63	
Repairs and Renewals to Bungalow		269.86	
General Transport		5.58	
Audit Fees and Expenses		2,347.69	
Medan General Expenses		183.90	
Advances Lost		42.67	
Visiting Agent's Fee		134.23	
Establishment		39.97	
Loss on Gasoline		2.31	
SUB TOTAL		$ 14,986.65	
Honolulu Charges:			
Fees, Agency, Legal and Miscellaneous	$2,276.93		
Office Expense	110.96	2,387.89	
SUB TOTAL		$ 17,374.54	
Capital Stock Tax and Interest		516.38	
TOTAL EXPENSE TO BE DISTRIBUTED		$ 17,890.92	
Distributed as follows:			
Rubber Capital Expenditure (34.612% of $17,374.54)			$ 6,013.56
Rubber Revenue Expenditure:			
Estate Expenditure (65.388% of $14,986.65)		$ 9,799.30	
Honolulu Expenditure (65.399% of $2,387.89 plus $516.38)		2,078.06	11,877.36
TOTAL AS ABOVE			$ 17,890.92

Hawaiian Sumatra Plantations, Limited

AUDITORS' CERTIFICATE

We have audited the Balance Sheet with the books and vouchers at the Estates, and in our opinion such Balance Sheet has been properly drawn up so as to exhibit a true and correct view of the Company's affairs in Sumatra as at December 31, 1939, according to the best of our information and the explanations given to us, and as shown by the Books.

McAULIFFE, TURQUAND, YOUNGS & CO.,
Chartered Accountants, *Auditors.*

Medan, January 29, 1940.

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CERTIFICATE

We hereby certify that we have made an examination of the books and records of the Hawaiian Sumatra Plantations, Limited, maintained in Honolulu, Hawaii, by the Treasurer of the Company, for the year ended December 31, 1939.

We are of the opinion that the attached Balance Sheet and Condensed Statement of Income and Profit and Loss correctly exhibit the financial condition of the Company as at December 31, 1939, and the results of operations for the twelve months ended that date, according to the report of the eastern auditors of the Company, the explanations received by us, and as shown by the books of the Company in Honolulu, Hawaii.

HENRY DAVIS AUDIT COMPANY,
J. J. DELPECH,
Certified Public Accountant.

Referred to and Approved by:
HENRY DAVIS,
Certified Public Accountant.

Honolulu, T. H.
March 29, 1940.

338.7
H322
1940

TWENTY-FIFTH ANNUAL REPORT

OF THE

Hawaiian Sumatra Plantations, Limited

FOR THE

TWELVE MONTHS ENDED DEC. 31, 1940

◆

KWALA GOENOENG ESTATE
Batoe Bahra, Sumatra, O. K.

PANTAI BOEAJA ESTATE
Langkat, Sumatra, O. K.

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OFFICERS

C. F. DAMON ..... President
J. L. FLEMING ..... 1st Vice-President
A. H. RICE ..... 2nd Vice-President
C. MASER ..... Secretary
W. A. WHITE ..... Treasurer

BOARD OF DIRECTORS

W. D. BALDWIN
J. K. CLARKE
C. F. DAMON
J. L. FLEMING
A. H. RICE
H. W. RICE
R. K. THOMAS
J. WATERHOUSE
W. A. WHITE
G. P. WILCOX
R. E. WOOLLEY

AGENTS

BISHOP TRUST CO., LTD.
HONOLULU, HAWAII

McAULIFFE, TURQUAND, YOUNGS & CO.,
Medan, E. C. Sumatra

AUDITORS

HENRY DAVIS AUDIT COMPANY, Honolulu, Hawaii
McAULIFFE, TURQUAND, YOUNGS & CO.,
Medan, E. C. Sumatra

TWENTY-FIFTH ANNUAL REPORT

OF THE

Hawaiian Sumatra Plantations, Limited

FOR THE

TWELVE MONTHS ENDED DEC. 31, 1940

◆

KWALA GOENOENG ESTATE
Batoe Bahra, Sumatra, O. K.

PANTAI BOEAJA ESTATE
Langkat, Sumatra, O. K.

ADVERTISER PUBLISHING CO., LTD.
HONOLULU, HAWAII, U. S. A.
1941

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Hawaiian Sumatra Plantations, Limited

To the Stockholders of
Hawaiian Sumatra Plantations, Ltd.

GENTLEMEN:

Submitted hereunder is the usual Consolidated Statement of areas, trees planted, production, receipts of rubber sold, value of rubber in stock, and revenue expenditure on both estates during the year 1940, also a Comparative Statement for 1939 and 1940:

CONSOLIDATED STATEMENT

	Kwala Goenoeng Acres	Pantai Boeaja Acres
Mature Area	2,464.78	1,254.00
Immature and Replanting	499.17	156.40
Total Planted	2,963.95	1,410.40
Total Area in Rubber	4,374.35 Acres	

Approximate Number of Trees
December 31, 1940

Kwala Goenoeng:			
Mature Area	222,402		
Immature Area	77,752	300,154	
Pantai Boeaja:			
Mature Area	130,567		
Immature Area	21,468	152,035	452,189 approx.

Trees in Tapping and Resting
December 31, 1940

Kwala Goenoeng	184,823	
Pantai Boeaja	130,567	315,390 approx.
Number of Trees not in Tapping		136,799 approx.

PRODUCTION OF RUBBER

1940	Kwala Goenoeng ℔	Pantai Boeaja ℔	Total ℔
January	88,099	48,100	136,199
February	81,390	47,500	128,890
March	69,815	46,637	116,452
April	72,634	42,593	115,227
May	79,862	49,289	129,151
June	84,955	50,507	135,462
July	84,321	52,325	136,646
August	86,938	51,654	138,592
September	95,004	52,344	147,348
October	97,749	52,381	150,130
November	84,079	47,036	131,115
December	101,774	53,211	154,985
Total	1,026,620	593,577	1,620,197

Comparative Statistics of Rubber Sales and Revenue Expenditure for the Years 1939 and 1940

Rubber Sales and Rubber in Stock 1939

Kwala Goenoeng:			
Sale of 1939 Crop and 1938 Rubber in Stock	715,275 ℔	@ 16.007¢	$114,498.96
1939 Stock on hand	81,015 ℔	@ 5.01¢	4,062.45
Total Revenue and Inventory Value	796,290 ℔	@ 14.889¢	$118,561.41
Pantai Boeaja:			
Sale of 1939 Crop and Rubber in Stock	357,745 ℔	@ 15.93¢	$ 56,992.10
1939 Stock on hand	105,699 ℔	@ 7.03¢	7,430.64
Total Revenue and Inventory Value	463,444 ℔	@ 13.90¢	$ 64,422.74

Rubber Sales and Rubber in Stock 1940

Kwala Goenoeng:			
Sale of 1940 Crop and 1939 Rubber in Stock	1,017,035 ℔	@ 17.199¢	$174,919.94
1940 Stock on hand	88,647 ℔	@ 7.12¢	6,311.66
Total Revenue and Inventory Value	1,105,682 ℔	@ 16.391¢	$181,231.60
Pantai Boeaja:			
Sale of 1940 Crop and 1939 Rubber in Stock	593,698 ℔	@ 17.291¢	$102,660.43
1940 Stock on hand	92,955 ℔	@ 7.415¢	6,892.61
Total Revenue and Inventory Value	686,653 ℔	@ 15.954¢	$109,553.04

Revenue Expenditure 1939

	Kwala Goenoeng 642,218 lb	Cents per lb	Pantai Boeaja 351,630 lb	Cents per lb	Total 993,848 lb	Cents per lb
Revenue Expenditure	$ 36,903.50	5.7463	$28,760.84	8.1793	$ 65,664.34	6.6071
Depreciation	4,377.82	0.6816	345.13	0.0981	4,722.95	0.4752
Amortization	13,693.13	2.1321	12,251.94	3.4843	25,945.07	2.6105
Taxes					13,440.88	1.3524
	$ 54,974.45	8.56	$41,357.91	11.7617	$109,773.24	11.0452

Revenue Expenditure 1940

	Kwala Goenoeng 1,026,620 lb	Cents per lb	Pantai Boeaja 593,577 lb	Cents per lb	Total 1,620,197 lb	Cents per lb
Revenue Expenditure	$ 81,874.72	7.9752	$57,103.25	9.620	$138,977.97	8.5776
Depreciation	3,698.91	0.3603	48.41	0.008	3,747.32	0.2312
Amortization	16,041.28	1.5625	12,292.71	2.071	28,333.99	1.7489
Taxes					57,978.73	3.5787
	$101,614.91	9.898	$69,444.37	11.699	$229,038.01	14.1364

Respectfully submitted,

W. A. WHITE, *Treasurer.*

Honolulu, Hawaii.
May 5, 1941.

Hawaiian Sumatra Plantations, Limited

KWALA GOENOENG ESTATE

STAFF

Manager.....G. L. Christensen
Assistant .....J. Regter
Office Clerks.....1st, Abdul Firman; 2nd, Djammal

ACREAGE STATEMENT

Years of Plantings	No. of Acres	Approx. No. of Trees	No. of Trees Budgrafted
1916	97.01	4,932	
1917	893.56	43,703	
1918	272.75	17,770	
1919	43.52		
1925	237.59	26,307	80
1926	301.22	35,653	
1927	43.24	4,575	
1928	49.91	7,012	612
1929	.....	5,094	Interplanting
1930	210.78	30,036	30,038
1931	211.15	31,502	31,502
1932	78.03	12,366	Seeds of AVROS clones mixed
1934	26.02	3,452	Seeds of AVROS clones mixed
1936	31.33	4,363	307 and mixed clonal seeds
1937	111.44	21,507	Seeds of AVROS clones mixed
1939	356.40	51,882	16,499 and clonal seeds mixed 185, 49, 163, 152, Tjir. 1, B. Datar 5
Total Area Planted..	2,963.95	300,154	79,038
Roads	2		
Building Sites	19		
Reserve Land and Swamp	2,635.05		
Total Area of Concession	5,620	300,154	79,038

Record of Budgrafted Trees to Date

Planting	1925	80	trees AVROS clone 36.
"	1928	612	trees AVROS clones 80, 152, 163.
"	1930	11,500	trees AVROS clones 49, 50, 71, 152, 183, 185, 214 and 256 as monoclones.
"	1930/31	17,549	trees Java clones B.D. 5, Tjir. 1 and 16 as monoclones, interplanted with AVROS 185 and 214.
"	1931	32,491	trees AVROS clones 49, 50, 71, 214, 222, 256, 352. Straits clones P.B. 186, Sebrang 24, Glenshiel 1 and Java clone Tjir. 1.
"	1936	307	trees Prang Besar 186 and Sebrang 24.
"	1939	16,499	trees AVROS clones 255, Tjir. 1, P.R. 107 and B.D. 5.
	Total	79,038	trees budgrafted.

Specification of Planted Area

1,306.84	Acres	Old Rubber.
661.29	"	Planted with selected Kwala Goenoeng seeds.
540.02	"	Budgrafted trees.
78.03	"	Seeds from AVROS clones mixed.
26.02	"	Seeds from AVROS clones Nos. 274, 278, 282, 294 and 33.
111.44	"	Seeds from AVROS clones Nos. 185, 163, 282, 284, 49, 274 and Java clones B.D. 5 and Tjir. 1 all mixed.
240.31	"	Seeds from AVROS clones Nos. 185, 49, 152, 163 and Java Clones B.D. 5, Tjir. 1 planted as monoclones.
2,963.95	Acres	Total.

Rubber Trees Statement

Approximate number of trees, December 31, 1940.....		300,154
Number of trees in tapping, December 31, 1940..	155,442	
Number of trees resting (poor yielders), December 31, 1940.....	29,381	184,823
Approximate number of trees not yet in tapping.....		115,331

No serious storm damage was recorded during the year. Trees affected by root diseases were removed on routine rounds of inspection.

WEATHER

The weather conditions for collecting the Crop were favorable during the year.

The rainfall was less than in previous years, being 57.16 inches on 87 days. However, it was well distributed.

The following are the details of late tapping, wash-out, etc.:

Late tapping	39 days
Rain interfered	7 "

TAPPING AND CROP OF RUBBER

The Crop harvested during the year amounted to 1,026,620 pounds, against the estimate of 1,100,000 pounds.

The Stock of Rubber at the end of the year was 88,647 pounds, which has been carried over to 1941.

From the 15th of August, 107.94 acres in Blimbing Division were brought into tapping, as follows:

Planting 1930:		
Block V	1.23 Acres	
Block W	1 "	2.23 Acres
Planting 1931:		
Block V		30.87 "
Planting 1932:		
Block T	13.21 Acres	
Block U	43.35 "	
Block V	18.28 "	74.84 Acres
Total		107.94 Acres

Number of trees brought into tapping.....13,458
Number of Tasks.....16A–16B

Tapping has been continued on the old area with a V cut and on the young area with a single left half-spiral cut.

The tapping system was alternate daily.

The average yield per tapper for the year was 4,774.98 pounds against 4,253.10 pounds for the previous year.

The average yield per acre per annum was 551.06 pounds, and per tree 6.28 pounds, against 633.82 pounds per acre and 6.76 pounds per tree for the previous year.

TEST TAPPING

Yield Records, Budgrafted Trees first year in tapping.
AVROS 185, one year Test-tapped. Best yielding clone.
10.98lb per tree per annum
2,119lb per acre per annum

Average from all 16 clones, one year Test-tapped.
6lb per tree per annum
1,158lb per acre per annum

Yield Records, Seedlings, 7 months Test-tapped.
6.30lb per tree per annum
1,218lb per acre per annum

TABLE OF CROP

Month	Crop lb	No. of Trees in Tapping and Resting	No. of Acres in Tapping
January	88,099	160,202	1,767
February	81,390	167,366	1,856
March	69,815	167,343	1,856
April	72,634	167,290	1,856
May	79,862	167,201	1,856
June	84,955	167,091	1,856
July	84,321	166,975	1,856
August	86,938	158,616	1,900
September	95,004	164,491	1,945
October	97,749	160,577	1,901
November	84,079	157,575	1,866
December	101,774	155,442	1,838
Total	1,026,620	*Average 163,347	*Average 1,863

* Per month.

The Crop harvested during the year was sold as Sheet and Off Grades to local buyers at Medan, packed in Cases, and to buyers at Penang, packed in Bales, delivered at Tandjong Tiram Port.

The average price of all Grades was 32.22 Guilder Cents per pound f.o.r. Belawan and c.i.f. Penang, compared with 29.83 Guilder Cents per pound for the previous year.

The cost price per pound on the Estate was 13.39 Guilder Cents f.o.r. Belawan and c.i.f. Penang, compared with 9.25 Guilder Cents for the previous year.

STATEMENT OF COST PER ACRE PER ANNUM
(Excluding Capital Expenditure)

	Per Acre Gls.
Upkeep Immature Area—499 Acres	16.43
Upkeep Mature Area—2,465 Acres	2.74
Tapping (basis area tapped)	11.32
Manufacture and Distribution (basis area tapped)	34.26
General Charges on Total Area	19.78
Total Expenditure	59.34

RUBBER RESTRICTION

The Standard Production Assessment for the year 1940 was 1,368,289 pounds and the exportable allowance 1,057,256 pounds, being 77.2685% of the Standard Production Assessment.

40,000 pounds Export Rights were transferred from Kwala Goenoeng Estate to Pantai Boeaja Estate.

The exportable allowance over the first quarter of 1941 has been fixed at 323,236 pounds, being 22.75% of the Provisional Standard Production Assessment 1941 of 1,420,814 pounds.

The Crop of 1941 has been estimated at 1,216,000 pounds, being 85% of the Standard Production Assessment.

REPLANTING 1940-41

In progress a total of 208.51 acres; 69.24 acres in Kwala Goenoeng Division and 139.27 acres in Soengei Djintan Division, as follows:

Kwala Goenoeng Division:		
Block O	10.18 Acres	
Blocks P and Q	59.06 "	69.24 Acres
Soengei Djintan Division:		
Block H	23.60 Acres	
Block I	79.04 "	
Block J	36.63 "	139.27 Acres
Total		208.51 Acres

Over this area, removing of 21,544 old rubber trees was completed during the months of May/December.

These 208.51 acres will be changcolled, lined, holed and planted before the end of 1941.

The plant material used on this area will be budded stumps, budgrafted in the nurseries, with high yielding clones.

For that purpose 48,000 plants have been planted out in 5 nurseries, 3 in Kwala Goenoeng Division and 2 in Soengei Djintan Division.

The Replanting program for the year 1941-42 is to cover 210.07 acres, as follows:

Kwala Goenoeng Division:

Block O	4.94 Acres	
Block P	38.53 "	
Block Q	24.24 "	67.71 Acres

Soengei Djintan Division:

Block H	52.40 Acres	
Block G	89.96 "	142.36 Acres
Total		210.07 Acres

Heavy tapping has been commenced on these 210.07 acres of approximately 20,000 trees, to get the most possible rubber out of the trees before they are removed.

EXTENSIONS

11.1 acres of lalang land, in Kwala Goenoeng Division Blocks O and P, have been changcolled and will be laid out as gardens for the coolies, later on 20 Colonization Houses will be built on this land along the Kwala Goenoeng Road.

77.26 acres of the 1939 new plantings were planted up during January-April, *viz.,* 38.96 acres in Kwala Goenoeng Division and 38.30 acres in Tandjong Boenga Division.

The 38.96 acres in Kwala Goenoeng Division were planted with clonal seeds in baskets of the following clones: AVROS 185, Tjir. 1 and AVROS 49.

Of the 38.30 acres in Tandjong Boenga Division 20 acres were planted with budded stumps of the following clones: P.R. 107, AVROS 255, Tjir. 1, B.D. 5, and 18.30 acres with basket seedlings.

NEW PLANTING 1939, 258 ACRES PLANTED DURING 1939-40

The average cost per acre for these 258 acres was as follows:

	Total Cost Gls.	Cost per Acre Gls.
Felling	1,063.80	4.12
Clearing	4,048.55	15.69
Changcolling	5,949.13	23.06
Weeding before Planting	1,142.68	4.43
Lining, Holing and Planting	1,658.67	6.43
Seeds, Nurseries and Baskets	923.87	3.58
Removing Tree Stumps	968.00	3.75
Total Cost and Average per Acre	15,754.70	61.06
Seeds from AVROS	315.00	1.22
Compensation for Fruit Trees	1,071.00	....
New Planting Rights	9,661.20	....
Total Cost and Average per Acre	26,801.90	62.28

BUDGRAFTING

12,919 trees—95.20 acres, have been budded during the year as follows:

10,979 trees—76.90 acres, in Soengei Djintan Division with the following clones:

- 3,748 trees Tjirandji 1
- 3,472 trees P. R. 107
- 3,759 trees AVROS 255

1,914 trees—18.30 acres, in Tandjong Boenga Division with Tjirandji 1.

MANURING

The following plantings have been manured during the year:

Replanting 1936:

31.33 acres were manured during March-April, 1940, with N.P.K. at the rate of 300 grams per tree.

Replanting 1937:

111.44 acres were manured during March-April, 24 acres with Calcium Cyanamide and 87.44 acres with N.P.K. at the rate of 300 grams per tree.

New Plantings 1939-40:

124 acres in Kwala Goenoeng Division were manured with N.P.K. at the rate of 75 grams per tree.

90 acres in Kwala Goenoeng Division and 38 acres in Tandjong Boenga Division with N.P.K. at the rate of 40 grams per tree.

111 acres in Soengei Djintan Division with N.P.K. at the rate of 50 grams per tree.

The analysis of the N.P.K. manure is as follows:

N.—Nitrogen	12.4%
P.—Phosphate	12.6%
K.—Potash	14.9%

Nurseries:

The 48,000 plants in the nurseries were manured once with Ammophos 1 (16½% N—20% P) at the rate of 10 grams per tree.

PESTS AND DISEASES

These were the same as the previous year. Only a few young trees have been damaged by monkeys.

All trees in tapping have been treated with 3% Izal solution on the tapping surface, to prevent mouldy rot and Black Stripe canker.

YOUNG AREAS

The young areas 1925-1940 are looking very well and the growth of the trees is good, especially the new plantings 1939-1940.

These young areas 1925-1940 are all covered with Pueraria Javanica, and are free from sporadic lalang and other undesirable weeds.

FACTORY AND BUILDINGS

A new bungalow for the Manager and a new house for the first clerk have been erected.

The Manager's bungalow is made of brick and first class hardwood.

The first clerk's quarters are made of hardwood.

The assistant's bungalow and the second clerk's quarters have been thoroughly repaired and painted inside and outside.

The roof of the Factory and office has been painted; the office has been painted inside and outside.

Several coolie lines have been repaired, and one new coolie line in Blimbing Division is in progress.

The rebuilding of one of the smoke houses is in progress. After rebuilding it will be an up-to-date smoke house model R.R.I. type B with a capacity of 4,800 pounds dry sheet per day.

The drying time is 3½ to 4 days. The drying time in the old smoke house was 7 to 8 days.

The Factory building and machinery are in good condition.

ROADS AND BRIDGES

All roads and bridges on the Estate are in good order; another new road, 1,500 feet long, was made through the new planting in Kwala Goenoeng Division.

LABOR FORCE

Total labor force at December 31, 1939.....	347
Total labor force at December 31, 1940.....	407

The labor on the Estate remained as free labor.

During the year 139 new coolies were recruited, 55 from Java and 84 locally.

The health of the staff and coolies was good.

GENERAL

The Estate was visited once by our visiting agent, the late Mr. H. C. Pinching, and periodically by our Medan agents.

Our Vice-President, Mr. J. L. Fleming, visited the Estate in March, 1940.

I am pleased to report that the Estate is in excellent order in all respects.

Respectfully submitted,

G. CHRISTENSEN, *Manager*,
KWALA GOENOENG ESTATE.

Pantai Boeaja Estate

Manager: A. C. van Rossum

TREES AND ACREAGE STATEMENT

Approx. No. Acres of Rubber	Date of Planting	No. of Acres		Approx. No. Trees 1940
Mature—				
1,254	1917	77.69	(10 acres felled)	3,731
	1918	114.74	(20 acres felled)	8,939
	1919	200.15		16,053
	1920	257.00		25,917
	1921	256.00		24,405
	1923	24.71		3,981
	1924	39.54		5,770
	1925	84.02		13,537
	1926	64.25		9,433
	1929	79.07	(mixed with budgrafted trees and selected seeds)	10,970
	1930	51.89	(budgrafted trees with AVROS clones)	6,846
	1931	4.94	(budgrafted trees with AVROS clones)	985
1,254		1,254.00	Total Mature Area	130,567
Immature—				
156.4	1939	156.4	(budgrafted trees with AV. clones Tjir. 1, Tjir. 16—AV. 255)	21,468
Total Acres—				
1,410.4		1,410.4	Total Trees	152,035

	Acres
Total Planted (Old Area)	1,254.0
Total Planted (New Area 1939)	126.4
Felled for Replanting	30.0
Total Planted	1,410.4

Roads	9.0
New Roads in Planting 1939	4.0
Buildings	10.0
Burial place and swamp	17.0
River	6.0
Reserve Land	5,331.6
Total Area of Concession	6,788

10 acres of the planting 1917 and 20 acres of 1918 have been felled during the last quarter of the year for replanting early in 1941.

RUBBER TREE STATEMENT

Approximate number of trees at December 31, 1940		152,035
Number of trees in tapping at December 31, 1940	88,945	
Resting	41,622	130,567
Approximate number of trees not yet in tapping		21,468

THINNING OUT

2,282 poor yielders were thinned out during the year, and 3,016 trees were dug out on account of replanting.

A heavy storm during the year came over the Estate, and a considerable number of trees were rooted up and broken off at the southwest end of the Estate.

WEATHER

Generally speaking, weather conditions were favorable. During the months of October, November and December rains interfered with tapping on a number of occasions, affecting Crop, as the tappers could not start tapping early in the morning or had to stop tapping during tapping time.

NEW PLANTED AREA 1939

The young trees in the planted area 1939 were budded during the year with AVROS clones Tjirandji 1, Tjirandji 16 and AVROS 255.

The young area is all covered with a mixture of Pueraria Javanica, Centrosema Pubescens and Calapagonium ground cover.

Manuring of the young trees was done with Cherribon phosphate, 500 grams per tree, and this will be repeated at the beginning of 1941.

REPLANTING

A start has been made for replanting 30 acres; trees were felled during the last quarter of the year in block 4 H.I., and 5 H.I. planting 1917 and 1918.

As soon as labor is available, a start will be made with lining and holing.

In this part new drainage has to be constructed to bring the soil into good condition again, and holes for planting, 4 x 4 feet, filled with black mould. The distance of planting on level surface will be 14 x 20 feet and on the hills contour terracing.

RAINFALL

	No. of Days	Inches
January	5	5.6
February	2	4.8
March	3	2.6
April	3	2.0
May	8	11.4
June	6	5.9
July	9	7.9
August	16	11.2
September	16	16.5
October	7	9.2
November	4	7.0
December	13	21.8
Total	92	105.9

TAPPING AND COLLECTING

The Crop of rubber harvested for the year amounted to 593,577 pounds, as compared with 351,630 pounds for the previous year.

Exports of rubber for the year were curtailed in accordance with the Exportable Quota for each quarter, as allotted to the Estate under Rubber Restriction Regulations.

The Standard Production Assessment for the year 1940 was fixed at 659,667 pounds.

The export quota for the year amounted to 77.2685% of the Standard Production Assessment, *i.e.*, 509,715 pounds, as compared with 357,734 pounds for the previous year.

The stock of rubber on hand at December 31, 1940, amounted to 92,955 pounds.

During the year the number of tappers was 132, and during the month of November this number was increased by one tapper to commence tapping trees planted in 1931, *viz.*, 985 trees.

TABLE OF CROP

The production for the year was as follows:

	Pounds
January	48,100
February	47,500
March	46,637
April	42,593
May	49,289
June	50,507
July	52,325
August	51,654
September	52,344
October	52,381
November	47,036
December	53,211
Total	593,577

The Crop harvested during the year was sold as Sheet and Off-Grades to local buyers.

The amount realized for sale of 593,698 pounds of rubber was Gls. 192,246.55.

The average price for the year of all grades was therefore 32.38 guilder cents per pound, as against 29.67 guilder cents per pound for the previous year.

During the year licenses purchased amounted to 44,092 pounds, and 40,000 pounds from Kwala Goenoeng were transferred to Pantai Boeaja.

TABLE SHOWING YEARLY INCREASE OF YIELD

Year	Crop in lb		
1928	258,951		
1929	291,132		
1930	329,605		
1931	459,168		
1932	537,250		
1933	534,720		
1934	508,260	From June 1st Restriction in force.	
1935	336,857	Restriction 63.4463%	Exportable Quota
1936	305,773	Restriction 59.467%	
1937	514,402	Restriction 77.8726%	
1938	374,793	Restriction 49.357%	
1939	351,630	Restriction 55.481%	
1940	593,577	Restriction 77.2685%	

TABLE OF SALES

Month	Quantity in lb	Guilders
January	94,080	31,038.85
February	14,560	4,781.62
March	35,840	11,552.01
April	75,230	22,838.08
May	20,160	6,524.02
June	44,800	15,163.80
July	40,320	12,821.95
August	56,000	18,091.30
September	89,060	27,682.37
October	67,200	22,364.65
November	22,400	7,709.15
December	34,048	11,678.75
Total	593,698	192,246.55

LABOR FORCE

Month	Men	Women	Total
January	167	90	257
February	175	81	256
March	162	90	252
April	156	85	241
May	156	84	240
June	157	83	240
July	157	81	238
August	156	81	237
September	167	82	249
October	170	81	251
November	178	81	259
December	190	85	275

Total labor force on the Estate December 31, 1940—190 men, 85 women.

Total labor force on the Estate December 31, 1939—165 men, 90 women.

The laborers on the Estate remained as free laborers. During the year 85 coolies were engaged locally and 59 discharged.

Health conditions were favorable during the year.

WEEDING AND CHANGCOLLING

The entire Estate is in good condition. No lalang and rough growths are to be seen, being planted with a ground cover of Pueraria Javanica.

The 1939 planting is in very good condition, and the young budded trees in this area are growing very well.

TERRACING

Terraces were improved throughout the year in the young area, and catchpits were deepened. This area was also manured with Cherribon phosphate.

PESTS AND DISEASES

During the past year slight damage only was caused by White Ants and root diseases.

In part of the 1939 planting slight damage was caused principally by monkeys.

Pests and diseases were under good control.

ROADS AND BRIDGES

During the year the outlet road has been given extra care on account of the heavy rains during the last quarter of the year.

Additional labor and gravel was necessary to keep the road in good condition.

A number of bridges were repaired, and drains alongside the road were deepened.

A new road has been made approximately 1¾ miles long, running throughout the new area planted in 1939, and the Manager will continue this work next year if labor is available.

REPAIRS AND RENEWALS TO BUNGALOWS

Repairs were made during the year to the Manager's bungalow; bathrooms and water supply were improved and are now in good condition.

COOLIE LINES, REPAIRS AND GENERAL UPKEEP

The buildings are in a good state of upkeep.

One coolie line in block 7K has been improved. The floors in the line and kitchens were cemented and the roofs renewed and covered with tiles. Walls of the line were also renewed.

FACTORY AND BUILDINGS

Factory, smoke houses and godowns are in a good state of upkeep.

The roofs of all buildings covered with corrugated iron will be painted as soon as possible.

GROUND COVER

Planting of ground cover, principally in the old area, was continued during the year, and a light changcolling was done throughout the Estate to further stimulate the growth of the ground cover.

ESTIMATES

The Standard Production Assessment under Restriction for 1941 has been provisionally fixed at 671,462 pounds.

The release for the first quarter of 1941 was fixed at 100 per cent, and for the purpose of the accounts the 1941 Crop has been estimated on the same basis, *viz.*, 700,000 pounds.

GENERAL

Generally speaking, the Estate is in very good condition, and particularly the new planting.

In March, 1940, Mr. Fleming visited Pantai Boeaja, accompanied by Mr. C. Grumitt.

Mr. H. C. Pinching visited the Estate during the month of April, 1940, and periodical visits were made by the Medan agents.

Respectfully submitted,

A. C. VAN ROSSUM, *Manager,*
PANTAI BOEAJA ESTATE.

Hawaiian Sumatra Plantations, Limited

TREASURER'S REPORT

To the Stockholders,

Hawaiian Sumatra Plantations, Ltd.

GENTLEMEN:

I herewith submit the following statements, taken from the books of your Company at December 31, 1940, together with the certificates of the Auditors:

"Exhibit "A"—Condensed Balance Sheets, December 31, 1939, and December 31, 1940.

Exhibit "B"—Balance Sheet, December 31, 1940.

Exhibit "C"—Condensed Statement of Income and Profit and Loss, for the twelve months ended December 31, 1940.

Exhibit "D"—Kwala Goenoeng Estate, Statement of Income and Profit and Loss. for the twelve months ended December 31, 1940.

Exhibit "E"—Pantai Boeaja Estate, Statement of Income and Profit and Loss, for the twelve months ended December 31, 1940.

Schedule "A"—Segregation of General Expense, Kwala Goenoeng and Pantai Boeaja Estates.

Respectfully submitted,

W. A. WHITE,
Treasurer.

Honolulu, T. H.
May 5, 1941.

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "A"

CONDENSED BALANCE SHEETS DECEMBER 31, 1939 AND DECEMBER 31, 1940

ASSETS

	December 31 1939	1940
Cash on hand, in Banks and with Agents	$122,080.35	$147,696.34
Accounts, Deposits and Advances Receivable	3,372.31	4,340.52
Inventories	15,405.22	20,331.37
Concessions—Less Reserve for Amortization	256,268.10	251,415.20
Kwala Goenoeng Estate—Less Depreciation	299,495.82	309,173.11
Pantai Boeaja—Less Depreciation	152,620.63	151,215.17
Other Assets	2,022.81	1,923.49
	$851,265.24	$886,095.20

LIABILITIES

	December 31 1939	1940
Amounts Payable	$ 3,623.42	$ 2,612.54
Accrued Charges	7,650.97	10,544.22
Reserve Staff Commissions and Taxes	20,504.05	73,535.34
Common Stock Outstanding	620,000.00	620,000.00
Capital Surplus	197,776.23	197,776.23
Surplus	1,710.57	*18,373.13*
	$851,265.24	$886,095.20

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "B"

BALANCE SHEET
DECEMBER 31, 1940

ASSETS

Current Assets:			
Cash		$147,696.34	
Cash in Bank, Kwala Goenoeng	$ 1,760.97		
Cash in Bank, Pantai Boeaja	250.64		
Chartered Banks, Medan and Penang	35,371.39		
Bishop Trust Co., Ltd., Agency Balance	40,313.34		
Bishop National Bank of Hawaii—			
Certificates of Deposit	70,000.00		
Accounts Receivable		860.98	
Sundry Debtors	$ 860.98		
Advances		3,297.47	
Kwala Goenoeng—Staff	$ 35.19		
Kwala Goenoeng—Coolies	1,872.83		
Pantai Boeaja—Staff	501.39		
Pantai Boeaja—Coolies	888.06		
Deposits		182.07	
Kwala Goenoeng	$ 167.50		
Pantai Boeaja	14.57		
Accrued Interest		234.43	
Inventories		20,331.37	
Kwala Goenoeng:			
Rubber on hand	$ 6,311.66		
Rice on hand	1,920.93		
Stocks in Stores	2,752.16		
Pantai Boeaja:			
Rubber on hand	6,892.61		
Rice on hand	100.21		
Material in Stores	2,353.80		
TOTAL CURRENT ASSETS			$172,602.66
Fixed Assets:			
Concessions:			
Kwala Goenoeng Estate	$120,000.00		
Less: Reserve for Depreciation	28,576.40	$ 91,423.60	
Pantai Boeaja Estate	$210,000.00		
Less: Reserve for Depreciation	50,008.40	159,991.60	251,415.20
Carried Forward			$424,017.86

HAWAIIAN SUMATRA PLANTATIONS, LIMITED
EXHIBIT "B" (Continued)
BALANCE SHEET
DECEMBER 31, 1940

Brought Forward			$424,017.86
Kwala Goenoeng Estate:			
Development	$429,169.48		
Less: Reserve for Depreciation	141,319.41	$287,850.07	
Other Fixed Assets (Depreciated Value):			
Buildings	$ 8,981.21		
Poeloeh Hospital	2,400.00		
Tools and Implements	65.79		
Motor Vehicles	1.60		
Factory and Stores	7,000.83		
Furniture	5.20		
Plant and Machinery	2,511.37		
Tractors and Plows	2.00		
Wells and Water Supply	355.04	21,323.04	309,173.11
Pantai Boeaja Estate:			
Development	$258,815.52		
Less: Reserve for Depreciation	108,204.58	$150,610.94	
Other Fixed Assets (Depreciated Value):			
Buildings	$ 41.43		
Tools and Implements	.40		
Motor Vehicles	.40		
Factory and Stores	.40		
Livestock	69.68		
Furniture	5.20		
Motor Lorry Truck	271.76		
Plant and Machinery	214.56		
Wells and Water Supply	.40	604.23	151,215.17
Deferred Charges:			
Kwala Goenoeng:			
Rubber License 1941	$ 77.99		
Telephone Subscription	17.71		
Recruiting Suspense	1,500.20		
Pantai Boeaja:			
Rubber License 1941	36.86		
Telephone Subscription	22.62		
Insurance Suspense	33.68		1,689.06
TOTAL ASSETS			$886,095.20
LIABILITIES			
Current Liabilities:			
Accounts Payable:			
Kwala Goenoeng	$ 1,862.58		
Pantai Boeaja	729.20	$ 2,591.78	
Accrued Charges:			
Kwala Goenoeng	$ 6,073.68		
Pantai Boeaja	4,428.42		
Staff Commissions 1940	3,803.96		
Income Tax 1940	57,978.73		
Additional Income Tax 1938-39	7,816.48		
Leave Expense—Kwala Goenoeng	3,936.17		
Other	62.88	84,100.32	
TOTAL CURRENT LIABILITIES			$ 86,692.10
Net Worth:			
Capital Stock—Common (62,000 shares @ par value $10.00 each)		$620,000.00	
Capital Surplus		197,776.23	
Surplus (Deficit)		*18,373.13*	799,403.10
TOTAL LIABILITIES			$886,095.20

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "C"

CONDENSED STATEMENT OF INCOME AND PROFIT AND LOSS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1940

Revenue:			
Kwala Goenoeng Estate (Exhibit D)		$174,944.10	
Pantai Boeaja Estate (Exhibit E)		102,761.49	
TOTAL REVENUE			$277,705.59
Expense:			
Kwala Goenoeng Estate (Exhibit D)		$ 99,365.70	
Pantai Boeaja Estate (Exhibit E)		69,982.40	
TOTAL EXPENSE			169,348.10
NET PROFIT FROM OPERATIONS			$108,357.49
Other Income:			
Interest			867.77
TOTAL INCOME			$109,225.26
Other Expense:			
Difference in Exchange		$ 708.13	
Estimated Income Tax 1940		57,978.73	58,686.86
NET PROFIT FOR THE YEAR			$ 50,538.40
SURPLUS ACCOUNT			
Balance at January 1, 1940			$ 1,710.57
Add:			
Net gain for year as above		$ 50,538.40	
Staff Commission 1939 over-estimated		12.54	
		$ 50,550.94	
Deduct:			
Additional Taxes 1937, 1938 and 1939	$8,592.52		
Interest on additional 1938 Taxes	42.12	8,634.64	41,916.30
			$ 43,626.87
Less:			
Dividends Paid			62,000.00
BALANCE—December 31, 1940 (Deficit)			*$ 18,373.13*

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "D"

STATEMENT OF INCOME AND PROFIT AND LOSS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1940

KWALA GOENOENG ESTATE

Revenue:			
Rubber Sales		$174,919.94	
Sundry Receipts		24.16	
TOTAL REVENUE			$174,944.10
Expense:			
Rubber in Bearing	$ 3,595.37		
Collection and Manufacture	17,340.97		
Packing and Transport	6,406.49		
Export Duty and Selling Expense	17,899.74		
Upkeep Buildings and Machinery	3,630.85		
General Charges—Estate	24,397.00		
General Charges—Honolulu	5,260.25		
Staff Commission	1,630.27	$ 80,160.94	
Depreciation:		3,698.91	
Buildings	$ 326.17		
Tools and Implements	48.26		
Factory and Stores	1,754.02		
Plant and Machinery	1,294.09		
Wells and Water Supply	276.37		
Amortization:			
Development Expense	$ 14,276.58		
Concessions	1,764.70	16,041.28	
Land Rent on Unplanted Area		1,713.78	
TOTAL EXPENSE		$101,614.91	
Deduct: Increase in Inventory:			
Inventory Dec. 31, 1940	$ 6,311.66		
Inventory Jan. 1, 1940	4,062.45	2,249.21	
TOTAL COSTS			$ 99,365.70
NET PROFIT FROM OPERATIONS			$ 75,578.40

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

EXHIBIT "E"

STATEMENT OF INCOME AND PROFIT AND LOSS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1940

PANTAI BOEAJA ESTATE

Revenue:			
Rubber Sales		$102,660.43	
Sundry Receipts		101.06	
TOTAL REVENUE			$102,761.49
Expense:			
Rubber in Bearing	$ 4,065.62		
Collection and Manufacture	8,947.59		
Packing and Transport	3,994.89		
Export Duty and Selling Expense	10,533.50		
Upkeep Buildings and Machinery	741.43		
General Charges—Estate	15,852.72		
General Charges—Honolulu	2,783.55		
Staff Commission	2,173.69	$ 49,092.99	
Depreciation:			
Buildings	$ 5.97		
Plant and Machinery	42.44	48.41	
Amortization:			
Development Expense	$ 9,204.51		
Concessions	3,088.20	12,292.71	
Export Rights Purchases		4,521.28	
Land Rent on Unplanted Area		3,488.98	
TOTAL EXPENSE		$ 69,444.37	
Add: Decrease in Inventory:			
Inventory January 1, 1940	$ 7,430.64		
Inventory December 31, 1940	6,892.61	538.03	
TOTAL COSTS			$ 69,982.40
NET PROFIT FROM OPERATIONS			$ 32,779.09

HAWAIIAN SUMATRA PLANTATIONS, LIMITED

SCHEDULE "A"

GENERAL EXPENSES OF ESTATE TO DECEMBER 31, 1940

KWALA GOENOENG ESTATE

Salaries and Allowances		$ 7,058.64	
Wages of Clerks		1,198.70	
Motor Vehicles and Allowance		1,331.19	
Rent, Rates and Taxes		2,033.01	
Recruiting and Re-engagement Expense		1,151.76	
Watchmen		56.86	
Advances Lost		63.96	
Hospitals and Medicines		1,368.22	
Stationery, Printing and Office Expense		222.01	
Telegrams, Postage and Telephone		448.17	
Fire Insurance on General Buildings		138.43	
Labor Force Expenditure		989.35	
Sundry Charges		412.35	
Sundry Buildings, Repairs and General Upkeep		3,320.39	
Travelling Expense		53.31	
Tools and Sundry Stores		162.03	
Repairs and Renewals to Bungalows		2,385.99	
Loss on Rice and Coolie Foods		294.93	
General Transport		400.30	
Wells and Water Supply Upkeep		862.31	
Agency Fee and Audit Expense		3,043.21	
Leave Expenses		3,945.16	
Changcolling ground for Coolies' Foodstuff		212.85	
SUB TOTAL		$ 31,153.13	
Honolulu Charges:			
Fees, Agency, Legal and Miscellaneous	$4,705.15		
Office and Travelling Expense	813.87	5,519.02	
SUB TOTAL		$ 36,672.15	
Capital Stock Tax		937.20	
TOTAL EXPENSE TO BE DISTRIBUTED		$ 37,609.35	
Distributed as follows:			
Rubber Capital Expenditure (21.67% of $36,672.15)			$ 7,952.10
Rubber Revenue Expenditure (78.33% of $31,153.13)		$ 24,397.00	
Honolulu Expenditure (78.33% of $5,519.02 plus $937.20)		5,260.25	29,657.25
TOTAL AS ABOVE			$ 37,609.35

HAWAIIAN SUMATRA PLANTATONS, LIMITED

SCHEDULE "A"

GENERAL EXPENSES OF ESTATE
TO DECEMBER 31, 1940

PANTAI BOEAJA ESTATE

Salaries and Allowances		$ 4,672.96	
Wages of Clerks, Head Mandoers, etc.		883.70	
Motor Vehicles, Upkeep and Allowance		960.20	
Rent, Rates and Taxes		1,110.10	
Recruiting and Re-engagement Expense		186.71	
Watchmen		87.35	
Hospital and Medicine		1,289.09	
Stationery, Printing and Office Expense		121.42	
Telegrams, Postage and Telephone		597.84	
Fire Insurance on General Buildings, etc.		108.07	
Labor Force Expenditure		1,053.24	
Sundry Charges		413.39	
Coolie Lines—Repairs and General Upkeep		2,522.68	
Travelling Expense		48.01	
Tools and Sundry Stores		115.24	
Repairs and Renewals to Bungalows		1,255.70	
Loss on Rice and Coolie Food		30.09	
General Transport		31.52	
Audit Fee and Expense		2,395.74	
Medan General Expense		292.34	
Water Supply Upkeep		266.00	
Visiting Agent's Fee		266.72	
Lighting Supply Expense		66.68	
Establishment Upkeep		60.06	
Miscellaneous Expense		60.28	
SUB TOTAL		$ 18,895.13	
Honolulu Charges:			
Fees, Agency, Legal and Miscellaneous	$2,352.59		
Office and Travelling Expense	406.92	2,759.51	
SUB TOTAL		$ 21,654.64	
Capital Stock Tax		468.60	
TOTAL EXPENSE TO BE DISTRIBUTED		$ 22,123.24	
Distributed as follows:			
Rubber Capital Expenditure (16.11% of $21,654.64)			$ 3,486.97
Rubber Revenue Expenditure (83.89% of $18,895.13)		$ 15,852.72	
Honolulu Expenditure (83.89% of $2,759.51 plus $468.60)		2,783.55	18,636.27
TOTAL AS ABOVE			$ 22,123.24

Hawaiian Sumatra Plantations, Limited

AUDITOR'S CERTIFICATE

We have audited the Balance Sheet with the books and vouchers at the Estates, and in our opinion such Balance Sheet has been properly drawn up so as to exhibit a true and correct view of the Company's affairs in Sumatra as at December 31, 1940, according to the best of our information and the explanations given to us, and as shown by the Books.

McAULIFFE, TURQUAND, YOUNGS & CO.
Chartered Accountants, *Auditors.*

Medan, February 9, 1941.

CERTIFICATE

We hereby certify that we have made an examination of the books and records of the Hawaiian Sumatra Plantations, Limited, maintained in Honolulu, Hawaii, by the Treasurer of the Company, for the year ended December 31, 1940.

We are of the opinion that the attached Balance Sheet and Condensed Statement of Income and Profit and Loss correctly exhibit the financial condition of the Company as at December 31, 1940, and the results of operations for the twelve months ended that date, according to the report of the eastern auditors of the Company, to the best of our information, the explanations received by us, and as shown by the books of the Company in Honolulu, Hawaii.

HENRY DAVIS AUDIT COMPANY,

J. J. DELPECH,
Certified Public Accountant.

Referred to and Approved by:
HENRY DAVIS,
Certified Public Accountant.

Honolulu, T. H.
May 6, 1941.

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TO THE STOCKHOLDERS -
HAWAIIAN SUMATRA PLANTATIONS, LTD.

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of the Stockholders of Hawaiian Sumatra Plantations, Ltd., will be held on Tuesday, May 28, 1946, at 10:00 o'clock A.M., in the Board Room, Fourth Floor, Bishop Trust Company Building, Honolulu, Hawaii, for the election of Directors, consideration of Annual Reports, and the transaction of such other business as may come before the meeting.

ANNUAL REPORT TO STOCKHOLDERS - 1945

GENERAL INFORMATION:

While basic political and labor conditions in the Dutch East Indies are most unsettled and far from reassuring, the information which has reached us during the year concerning the condition of your properties indicates that they are basically capable of rehabilitation upon restoration of a settled state of affairs in this area of the world. Although normal channels for mail and travel are not available, and it has been impossible for your Far Eastern Agents, Messrs. Turquand, Youngs, McAuliffe & Co., to make first-hand survey of your estates, they have fortunately been able to secure authentic data as to the extent of damage and the general status of the properties from Mr. Christensen, the Manager of Kwala Goenoeng Estate. This estate, it will be recalled, forms one of the two component parts of Hawaiian Sumatra Plantations, the other being Pantai Boeaja Estate, some distance away.

CONDITION OF PLANTATION PROPERTIES:

Reports received during the past year by Bishop Trust Company, Ltd., your Honolulu Agents, from Messrs. Turquand, Youngs, McAuliffe & Co. relative to the condition of your properties are summarized below.

It should be borne in mind that the primary asset of a rubber plantation consists of the rubber trees growing there; the factory building, smoke houses, storage sheds, camp houses and other equipment, while important, are capable of replacement under normal conditions in a relatively short time with comparatively reasonable outlay.

Kwala Goenoeng Plantation, they state, is in fair order, chiefly due to the fact that the Manager, Mr. Christensen, was able to remain on the Estate until January, 1945. He therefore was able to keep the property in first class condition until that time. It is interesting to learn that from May, 1942, to May, 1943, the estate under Japanese control produced 255.345 kilograms of rubber, which was doubtless used by the Japanese for war purposes. We believe that since 1943 the trees have been out of tapping. From the time the Japanese removed the Manager in January, 1945, to the date of their surrender, they cut down a certain number of rubber trees; some to make way for the planting of food crops, others through pure wanton destruction. The sheet battery and factory buildings were removed to be used on other estates and a number of the lesser buildings partially or totally destroyed. As a result of this last year's neglect it can be presumed that there will be considerable growth of lallang and other objectionable weeds.

Pantai Boeaja Estate is in poor condition, we are led to believe. Mr. van Rossum, the former Manager, whose death we regret to report occurred in 1945, was interned early in 1942, and from information received we gather there has been no one on the Estate since that time. Deterioration of existing buildings, and jungle weed growth throughout the area in trees, is undoubtedly substantial.

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However, in the opinion of your Far Eastern Agents, there is little question but that on both properties the trees will have benefited considerably through being out of tapping for this long period, and should ultimately reflect this rest period in additional production. Aside from restoration of remaining structures and necessary replacements, one of the main tasks facing your Estate management upon resumption of normal controls in Sumatra will be that of cleaning up the thousands of acres of rubber trees and freeing these areas from weed growth. In the case of Pantai Boeaja Estate, this work will take at least a year.

MANAGEMENT:

We are pleased to be able to report to you that Mr. Christensen is willing to return to assume active management of Kwala Goenoeng Estate when this becomes feasible. He has been granted a much-needed vacation. It will be necessary, however, for the Far Eastern Agents to find a suitable manager to take the place of the late Mr. van Rossum for the supervision of Pantai Boeaja Estate.

FINANCIAL SITUATION:

Hawaiian Sumatra Plantations, Ltd., as of December 31, 1945, had a cash balance of $85,633.61, of which $80,000.00 is invested in Certificates of Deposit, the balance of $5,633.61 being cash with Bishop Trust Company, Limited, Honolulu Agents.

The reconquest of Sumatra has enabled your Agents to take the necessary steps toward the recovery of Hawaiian Sumatra Plantations' frozen bank balances in the cities of Medan and Penang, totalling some $35,000.00 to $40,000.00. To date these balances have been acknowledged, and your Agents believe they will be restored on an active account basis in the near future.

Your Honolulu Agents have kept the expenses for the year 1945 at the lowest figure consistent with the performance of essential duties and functions, a total of $1,645.51 being expended. During the year $800.00 was received from interest; thus the cash balance was reduced by only $845.51.

STOCK TRADING:

The market activity in Hawaiian Sumatra stock that was demonstrated during the first three months of 1945 continued throughout the year. We submit the following comparative figures for your information:

1942	Shares traded	6,709
1943	" "	14,300
1944	" "	12,854
1945	" "	22,053

The price of Hawaiian Sumatra stock during the year 1945 ranged from a low of $5.00 to a high of $11.25. So far during the year 1946 the price has ranged from a low of $7.00 to a high of $9.50.

RUBBER PRICES:

We quote from a letter just received from our New York correspondents, ".....there has been no change in the price of 20.25 cents, U. S. currency, per pound for standard top grades of crude rubber, f.o.b. Far Eastern ports, which were fixed January 28, 1946, by agreement between our Government and those of the British, Dutch and French. The corresponding equivalent of about 22.5 cents for rubber delivered at New York is also unchanged."

WAR DAMAGE CLAIMS:

There are as yet no new developments as to War Damage Claims. As stated in your Honolulu Agent's last report, the Department of State in Washington has acknowledged receipt of its statement of property owned and tentative claims against Japan, and stated they would be filed for future consideration.

Honolulu, Hawaii
May 16, 1946

C. MASER, Secretary